Decision 2003-095

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EPCOR Energy Services (Alberta) Inc.

Regulated Rate Tariff
January 1, 2004 Interim Tariff

December 5, 2003

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Decision 2003-095

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ALBERTA ENERGY AND UTILITIES BOARD
Decision 2003-095: EPCOR Energy Services (Alberta) Inc.
Regulated Rate Tariff
January 1, 2004 Interim Tariff
Application No. 1317308

Published by
Alberta Energy and Utilities Board
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Calgary, Alberta
T2P 3G4

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ALBERTA ENERGY AND UTILITIES BOARD
Calgary Alberta

EPCOR ENERGY SERVICES (ALBERTA) INC.
REGULATED RATE TARIFF
JANUARY 1, 2004 INTERIM RATES

Decision 2003-095
Application No. 1317308
File No. 1707-9

1 INTRODUCTION

The Alberta Energy and Utilities Board (Board) received a 2004 Regulated Rate Tariff (RRT) Application for Non-Rate Classification Customers (NRCC)[1] dated October 16, 2003 filed by EPCOR Energy Services (Alberta) Inc. or EESAI (the NRCC RRT Application or Application). Pursuant to section 103 of the *Electric Utilities Act* (EU Act) and the provisions of the *Regulated Default Supply Regulation* AR 168/2003 (*RDS Regulation*), EESAI filed for approval of its RRT applicable to service to eligible NRCC in the Aquila Networks Canada (Alberta) Ltd. (Aquila) service area for the period from January 1, 2004 through December 31, 2004 (2004 Test Year). EESAI indicated that the NRCC RRT Application was circulated to interested parties to the EESAI 2004 and 2005 Negotiated Settlement proceeding.

EESAI is a wholly-owned subsidiary of EPCOR Utilities Inc. (EUI). EUI is wholly-owned by the City of Edmonton. Since January 1, 2001, EESAI has provided RRT service (formerly regulated rate option or RRO service) in the Aquila service area, pursuant to an arrangement between Aquila and EESAI approved in EUB Decision 2000-71.

Pursuant to subsection 2(1)(b) of the RDS Regulation, the NRCC RRT Application proposed to serve EESAI's eligible NRCC on a flow-through rate basis.

Under the terms of the *RDS Regulation* in force prior to November 4, 2003, only "rate classification customers"(RCC)[2] could be provided a hedged transition rate beyond the end of 2003. All other eligible customers ("non-rate classification customers" or NRCC) could only receive a flow-through rate as of January 1, 2004.

In Decision 2003-074, the Board approved EESAI's 2004-2005 Negotiated Settlement Agreement, including a 2004-2005 Energy price setting plan to provide a transition rate to RCC for the years 2004 and 2005.

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[1] NRCC forecast to consume less than 250 MWh of electricity annually.

[2] "Rate classification customer" is specifically defined in section 1(1)(e) of the *RDS Regulation*:
(e)"rate classification customer" means a residential rate classification customer, a farm rate classification customer, or an irrigation rate classification customer, as defined in a regulated rate tariff.

On November 4, 2003, the Government of Alberta announced that it intended to extend the availability of the transition rate to ***all*** eligible customers[3] through to June 30, 2006. With the enactment of the *Regulated Default Supply Amendment Regulation* Ministerial Order 73/2003 (*RDS Amendment Regulation*) on November 4, 2003, section 2(1) of RDS Regulation was amended (in section 3(a) of the *RDS Amendment Regulation*), with the result that an owner of an electric distribution system is now required to provide ***only*** a transition rate to all eligible RRT customers for the period January 1, 2004 to June 30, 2006. An owner is to provide ***only*** a flow-through rate to all eligible customers on and after July 1, 2006.

Based on the enactment of the *RDS Amendment Regulation*, EESAI is now required to provide a transition rate in the 2004 RRT for eligible NRCC.

On November 26, 2003, the Government of Alberta issued the *Regulated Default Supply Amendment Regulation (No. 2)* by way of Ministerial Order 80/2003 (*RDS Amendment Regulation No. 2*). Among other things, the *RDS Amendment Regulation No. 2* authorized the Board to extend the November 30, 2003 deadline prescribed in sections 3(2), 3(3)(a) and 3(4) of the *RDS Regulation* to no later than January 31, 2004. By way of letter dated November 27, 2003, the Board determined that it would extend the November 30, 2003 date specified in sections 3(2), 3(3)(a) and 3(4) of the *RDS Regulation* to Friday December 5, 2003. In the Views of Parties in this Decision, any references to a required date of November 30, 2003 should now be considered as amended to read December 5, 2003.

The NRCC RRT approved by the Board will set out rates for NRCC RRT service, including energy and non-energy charges, as well as Terms and Conditions of Service (T&Cs) for all NRCC.

2 BACKGROUND

There are several background Board Decisions that are related to the EESAI NRCC RRT Application. Decision 2000-71[4] approved the appointment of EESAI as the provider of RRO services in the Aquila service area, Decision 2000-74[5] approved EESAI's Energy Price Setting Plan, Decision 2000-89[6] approved the non-energy cost components of the EESAI RRO tariff, and Decision 2000-91[7] approved EESAI's RRO Price Schedules and applicable Terms and Conditions of service. Subsequent Decisions, namely Decisions 2001-87, 2001-112, 2002-112 and 2003-074, approved updates and amendments to the EESAI Energy Price Setting Plan.

The Board notes that none of the above Decisions include the current Board approved EESAI RRT rate schedules. For the convenience of the reader, and the completeness of the EESAI RRT, the Board has included the current Board approved EESAI RCC RRT rate schedules as Schedule B. However, the Board emphasizes that the EESAI RCC RRT rate schedules were not a part of the Application and are presented for information purposes only.

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[3] "eligible customer", as set out in section 1(1)(b) of the *RDS Regulation*, means a rate classification customer, and any other customer, if the owner's reasonable forecast of the customer's annual consumption of electric energy at a site is less than 250 megawatt hours of electric energy at that site.

[4] Dated November 24, 2000

[5] Dated November 28, 2000

[6] Dated December 22, 2000

[7] Dated December 29, 2000

Pursuant to the enactment of the RDS Amendment Regulation, EESAI filed a revised 2004 RRT Application for NRCC (the Revised NRCC RRT Application) dated November 19, 2003. For the 2004 Test Year, EESAI will provide a RRT transition rate, as defined in Section 1(h) of the RDS Regulation, for all eligible NRCC. Service under the NRCC RRT will be available to eligible customers other than rate classification customers, i.e., the small commercial, oil and gas and lighting rate classes. In the Revised NRCC RRT Application, EESAI proposed to implement a 2004-2005 Energy Price Setting Plan for eligible NRCC (the NRCC 2004-2005 Plan).

The Revised NRCC RRT Application also amended the NRCC RRT Application by deleting Section 2.2 and Section 5 of the Application and as otherwise required such that the Application no longer requested approval of either flow-through energy charges or the energy charge deferral account for eligible NRCC. Also, Section 3.8 of the NRCC RRT Terms and Conditions (Schedule B to the NRCC RRT Application) was amended to include a revised notice period for account closure.

In the Revised NRCC RRT Application, EESAI requested that the Board approve the following to be effective on a final basis on January 1, 2004:

- the NRCC 2004-2005 Plan;
- the approach to procuring energy and establishing the energy prices for NRCC as described in the Revised NRCC RRT Application; and
- the Energy Charge Schedule for NRRC, which specifies the 3.75% return margin and is included as Attachment 3 to the Revised NRCC RRT Application.

If a final approval of the Revised NRCC RRT Application cannot be issued before January 1, 2004, then EESAI requested that the Board approve the following on an interim basis effective January 1, 2004:

- a Credit Cost Factor of 1.0042 that is applied to the energy charge, on an interim refundable basis effective January 1, 2004, to recover incremental costs associated with posting credit with counter-parties for the purpose of procuring wholesale products under the NRCC 2004-2005 Plan;
- the flow-through of DT charges for NRCC rate classes;
- the interim non-energy charges as discussed in section 2.1 of the NRCC RRT Application and as further discussed in the Revised NRCC RRT Application;
- the fees, including the miscellaneous fees, as described in Schedule A in the NRCC RRT Application; and
- the Terms and Conditions, as discussed in Section 2.4 of the NRCC RRT Application and as amended in the Revised NRCC RRT Application.

In a letter dated November 20, 2003, the Board provided notice of EESAI's Revised NRCC RRT Application (Notice) to interested parties on the EESAI NRCC RRT Application.

In the Notice, the Board noted that it had before it a similar application from EESAI's affiliate, EPCOR Energy Services Inc. (EESI), which essentially included the same 2004-2005 energy price setting plan for eligible NRCC. As a result, for purposes of efficiency and consistency, the Board decided to deal with EESAI's Revised NRCC RRT Application and EESI's Revised RRT Application on a concurrent basis, so that the similarities and inter-relationships would be identified and dealt with in an appropriate manner.

In the Revised NRCC RRT Application, EESAI submitted that the requested approvals were required by November 30, 2003 in order to provide EESAI with sufficient time to implement the NRCC 2004-2005 Plan and procure the required energy supplies prior to January 1, 2004.

Accordingly, the Board decided to deal with EESAI's Revised NRCC RRT Application by way of an interim written proceeding. The following schedule, which was consistent with the schedule established for EESI, applied to the EESAI Revised NRCC RRT Application:

Parties Written Comments for EESAI	November 24, 2003
Parties Written Reply Comments for EESAI	November 26, 2003
EESAI Board Decision (on or before)	November 30, 2003

In a letter dated November 24, 2003, the Board extended the deadline for comments to November 25, 2003, based on a request by PICA for a one-day extension to the deadlines for comments.

In addition to the written proceeding, the Board requested EESAI to be responsive to formal and informal information requests by all parties, in order to assist those parties in understanding EESAI's Revised NRCC RRT Application in preparation for comments and reply comments. The Board submitted information requests (IRs) to EESAI on November 20, 2003, while the Public Institutional Consumers of Alberta (PICA) submitted IRs to EESAI on November 21, 2003. EESAI responded to Board IRs on November 21, 2003 and PICA IRs on November 24, 2003.

The Board further noted in the Notice that it was the Board's intention to set up a formal process for the final EESAI 2004 NRCC RRT proceeding, culminating in a hearing date that would coincide with the final March 2004 Board hearing already scheduled for the EESI application.

In this Decision, the Board will deal with the NRCC 2004-2005 Plan and the related transition rates, as submitted in the Revised NRCC RRT Application, on a final basis and all other elements of EESAI's RRT on an interim basis effective January 1, 2004.

For the purpose of this Decision, the Board considers that the record of this hearing closed on November 26, 2003. Parties participating in the proceedings are shown in Appendix 1 to this Decision.

3 NON-RATE CLASSIFICATION CUSTOMER (NRCC) ENERGY RATES

3.1 Introduction

In its Revised NRCC RRT Application, EESAI proposed to implement a 2004-2005 Energy Price Setting Plan for NRCC (the NRCC 2004-2005 Plan). A copy of the NRCC 2004-2005 Plan (excluding the confidential portions thereof[8]) was attached as Attachment "2" to the Revised Application letter (Appendix 2 to this Decision).

In its Revised NRCC RRT Application, EESAI requested that the Board approve, on or before November 30, 2003:

- the NRCC 2004-2005 Plan;
- the approach to procuring energy and establishing the energy prices for NRCC that is described below;
- the Energy Charge Schedule for NRCC (NRCC Energy Charge Schedule), included in Appendix 2 to this Decision;
- the Credit Cost Factor that is described below, on an interim refundable basis.

3.2 Views of the Applicant

EESAI indicated that the NRCC 2004-2005 Plan was, in almost all respects, the same as the EESAI RCC 2004-2005 Plan (the Energy Price Setting Plan or RCC Plan). The RCC 2004-2005 Plan was approved by the Board in Decision 2003-074.[9] EESAI noted that the only material difference between the two Plans concerned the proposed process to approve the load forecast volumes and the addition of the credit cost factor component.

In the RCC 2004-2005 Plan, the RCC Consultation Parties, which included the Alberta Association of Municipal Districts and Counties (AAMD&C), Alberta Urban Municipalities Association (AUMA), Alberta Irrigation Projects Association (AIPA), Consumers Coalition of Alberta (CCA) and Montana First Nation (Montana Band), approve the hedged volumes on behalf of eligible RCC. EESAI indicated that the above RCC Consultation Parties together with PICA (the NRCC Consultation Parties) will serve in the same role for purposes of the NRCC 2004-2005 Plan. EESAI also indicated that an expert in energy markets would be retained to serve in the role of independent advisor to aid in the execution of the NRCC 2004-2005 Plan.

EESAI also proposed that, for the 2004 and 2005 calendar years, the energy price applicable under the EESAI NRCC RRT be determined in accordance with the NRCC 2004-2005 Plan and the NRCC Energy Charge Schedule.

EESAI proposed that the charges applicable to NRCC include a 3.75% return margin calculated on the energy charge cost component and on the Transmission and Distribution Charge cost components of customer bills.

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[8] EESI expects to have the confidential portions of the NRCC 2004-2005 Plan completed by November 24, 2003.

[9] Dated October 7, 2003

EESAI also indicated that, to the extent possible, all energy procurement under the NRCC 2004-2005 Plan would be completed in conjunction with the procurement of electric energy to meet the obligations of EESAI to provide RRT service to RCC in the Aquila Networks Canada (Aquila) service area and EESI to provide RRT service to eligible customers in non-Aquila service areas.

EESAI submitted that notwithstanding anything to the contrary in the NRCC 2004-2005 Plan, EESAI and the NRCC Consultation Parties may agree that all or part of the Super Peak Products for the first and fourth quarters of each of 2004 and 2005 could be acquired through the Power Pool. To the extent that all or a portion of such Super Peak Products are acquired through the Power Pool, the return margin applied to the energy charge for the portion of the Super Peak Products acquired through the Power Pool would be reduced by 75% from the level established under the Settlement Agreement.

EESAI and the NRCC Consultation Parties may also agree to replace certain yearly or monthly products with longer duration products (e.g., replace Peak Product with Base Product) if certain price ratios are exceeded during procurement sessions. Any differences between the acquisition price and the deemed sale price of volumes in the shoulder or off-peak hours associated with the replacement would be factored into the calculation of the energy charge. EESAI noted that a similar mechanism is also included in the RCC Plan.

EESAI indicated that the Aggregate Line Loss component of the energy charges applicable to the NRCC for 2004 and 2005 would be set equal to the most recent Board approved theoretical line losses in the Aquila service area plus Unaccounted For Energy, updated by EESAI on a quarterly basis (based upon the most recent 12 months of final settlement results received by EESAI from Aquila). If an amendment to the NRCC Energy Charge Schedule is required to adjust for new theoretical line losses, as contemplated above, such amendment would be made on a prospective basis beginning with the next quarter, provided that any Board decision approving revised theoretical line losses is issued at least 30 days prior to the start of the next quarter, otherwise, the change will be implemented in the quarter after that.

EESAI indicated that it would file with the Board, for acknowledgement only, quarterly updates to the energy charges resulting from the operation of the NRCC 2004-2005 Plan as well as the Price Schedules that reflect those energy charges.

EESAI indicated that it would incur incremental costs associated with posting credit with counter-parties for the purpose of procuring wholesale products under the NRCC Energy Price Setting Plan. EESAI forecast that the cost of these prudential requirements would be equal to the product of 1.5% multiplied by 28% of the actual total costs of products procured under the NRCC 2004-2005 Plan. Currently, prudential requirements are expected to cover a 28% fluctuation in market prices and this provides the basis for using 28% of the procurement costs in determining the cost of prudential requirements. EESAI proposed including these costs in the energy charge through a scaling factor (Credit Cost Factor) of 1.0042.

EESAI requested that the Credit Cost Factor be approved on an interim refundable basis since EESAI recognized that the concept of including the credit costs associated with the procurement of wholesale products had not been tested before the Board.

The energy charges forecast by EESAI under the NRCC 2004-2005 Plan are shown in Table 1 below. The energy charges were calculated on the basis of current forward prices and estimated ratios of on-peak and on-super-peak to base prices. EESAI noted that the actual energy prices would be determined only if and when the NRCC 2004-2005 Plan was approved and implemented and would reflect the actual procurement costs prevailing at the relevant times.

Table 1. Actual 2003 and Estimated 2004 and 2005 Energy Prices ($/MWh)

$/MWh	Small Commercial	Oil and Gas	Lighting
2003 Q1	61.25	59.89	45.82
2003 Q2	62.95	62.62	48.97
2003 Q3	61.57	59.67	48.50
2003 Q4	62.28	62.84	53.27
2004 Q1	55.75	55.54	48.89
2004 Q2	53.49	52.38	35.00
2004 Q3	54.16	53.16	39.05
2004 Q4	53.84	52.70	43.72
2005 Q1	49.29	49.10	43.29
2005 Q2	49.60	48.55	32.24
2005 Q3	50.07	49.14	36.02
2005 Q4	50.27	49.20	40.84

EESAI has also included forecast bill comparisons (Appendix 3 to this Decision) for EESAI NRCC in the format requested by the Board in previous EESAI RRO/RRT proceedings. In addition to utilizing the energy charge estimates provided in Table 1, the bill comparisons include any known changes to the EDI Distribution Tariff, AESO Tariff and any associated rate riders.

EESAI submitted that the NRCC return margin could be dealt with in the final proceeding concerning the Revised NRCC RRT Application and that approval of the NRCC return margin on an interim refundable basis would not create insurmountable difficulties for EESAI.

With regard to the issue of single versus separate pools of procured hedges in the determination of the energy charges for RCC and NRCC, EESAI did not agree with the CCA's concern that a single procurement pool could result in "cross-subsidization" among groups of customers. EESAI argued that a single procurement pool would simply eliminate the potential for price differences arising from the timing of the hedge procurement. EESAI further observed that the CCA was open to use of a single pool should the price differences between the pools within one company [i.e., EESAI or EPCOR Energy Services (Alberta) Inc.] be immaterial.[10]

EESAI noted that while PICA supported further discussions among the interested parties concerning the issue of single versus separate pools, PICA also recommended that this issue be reviewed as part of the final proceeding, with any adjustments to the resulting energy charge included as part of the adjustment mechanism in subsequent periods.[11] ESSAI submitted that although such an approach could be feasible, it would inevitably result in unnecessary complexity.

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[10] CCA Submission, p. l.

[11] PICA Submission, p. 5.

EESAI stated that if there is agreement among the NRCC Consultation Parties,[12] then EESAI would pool the acquired hedges to arrive at a single on-peak and off-peak energy price. If there is no such agreement, then EESAI would: (i) allocate hedges purchased up to November 14, 2003 to RCC; (ii) allocate hedges purchased after November 14, 2003 to both RCC and NRCC until the RCC hedge portfolio is completed; and, (iii) then procure solely on behalf of NRCC until the NRCC hedge portfolio is completed.[13]

EESAI submitted that it was prepared to facilitate discussions of these issues among the interested parties. At the same time, EESAI requested that the Board approve the proposed approach to energy procurement on a final basis with EESAI being permitted to pool the acquired hedges to arrive at a single on-peak and off-peak energy price if the NRCC Consultation Parties agree to such pooling.

In response to PICA's concerns about line losses, EESAI submitted that the proposed methodology for determining the line loss factor was the same as that which has been approved in Decision 2003-074 and should be approved in this proceeding on a final basis. Specifically, EESAI noted section 1 (e) of the 2004 and 2005 RRT Settlement Agreement that was approved in Decision 2003-074 which states:

> EESAI and the Consultation Parties agree that the Aggregate Line Loss component of the Energy Charge Schedule applicable for 2004 and 2005, for each EESAI RRT Transition Rate Rate [sic] Classification, will be set equal to the most recent Board approved theoretical line losses in the Aquila Networks Canada (Alberta) (ANCA) service area plus Unaccounted For Energy, updated by EESAI on a quarterly basis, based upon the most recent 12 months of final settlement results received by EESAI from ANCA. If an amendment to the Energy Charge Schedule is required to adjust for new theoretical line losses, as contemplated above, such amendment will be made on a prospective basis beginning with the next Quarter, provided that any Board decision approving revised theoretical line losses is issued at least 30 days prior to the start of the next Quarter, otherwise, the change will be implemented in the Quarter after that.

EESAI noted that while PICA appeared to be concerned with the possibility of changed circumstances in future, as is evident from the foregoing excerpt, such changes would be appropriately accommodated under the methodology that EESAI has proposed.

EESAI also submitted that the pool trading charge set out in Energy Charge Schedule should be non-controversial and therefore amenable to final approval in this proceeding.

EESAI submitted that although it was not requesting that the EUB issue final approval of the Credit Cost Factor at this time, interim approval was nevertheless requested in order to avoid carrying costs.

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[12] Meaning, in this context the parties to the settlement agreement that was approved in Decision 2003-074 and PICA.

[13] PICA-EESAI-2 (a).

3.3 Views of the Interveners

AE

AE was opposed to the approval of the return margin for the NRCC RRT on other than an interim refundable basis. AE submitted that with the release of the November 4, 2003 *RDS Amendment Regulation*, the Government of Alberta has significantly changed the legislative framework under which the RRT is to be provided. AE noted that Section 6 of the *RDS Amendment Regulation*, which amends Section 5 of the *RDS Regulation*, now requires the Board to approve the financial arrangements proposed by the RRT provider to ensure that the procurement risk of acquisition remains with the RRT provider. AE submitted that this amendment significantly increases the risk to the RRT provider, and under such changed circumstances, the Board has no alternative but to conduct a review of the requested return margin to ensure that the resulting tariff is just and reasonable, and in the public interest.

In addition, AE recommended that the Board consider a similar adjustment (interim refundable return margin) to the EESAI RRT for residential customers, which was approved in Board Decision 2003-074, given this material change in circumstances.

CCA

The CCA supported the comments made by PICA with the exception of those regarding the use of separate pools for RCC and NRCC energy. The CCA submitted that separate pools are the appropriate treatment for the RCC and NRCC RRT energy plans.

The CCA believed that differences in price arising from having two procurement pools and two energy prices would prevent any material cross-subsidization to one group from any other group of customers. CCA further argued that prevention of cross subsidization is important enough to warrant the maintenance of two separate pools.

The CCA also proposed that it was open to the use of a single pool should the price differences between the pools be immaterial. In terms of establishing criteria for its proposal, the CCA submitted that a change of more than $0.0025 per kWh would have clear material consequences to customer bills.

Although the CCA was mindful that the "use of a uniform energy charge/kWh for RCC and NRCC customers may eliminate unnecessary confusion and controversy differing prices may create", the group submitted that a materiality test is easily employed and should not create undue confusion.

PICA

PICA noted that, unlike EPC's NRCC RRT application, the EESAI NRCC RRT Application has a regulatory "history" which may serve as a baseline for consideration of the current application, at least on an interim refundable basis. In particular, the development of the hedging process utilized by EESAI over the past three years has been the result of customer consultations and has been reviewed and approved by the Board. Based on a review of the current NRCC RRT Application and Information Responses, it appears the application put forward by EESAI is similar in design to those previously approved in connection with EESAI's RRT load.

PICA submitted that it was generally supportive of the 2004-2005 procurement plan proposed by EESAI and believed that it was consistent, though not identical to, the procurement plans previously approved by the Board for EESAI.[14] Therefore, pending further consultation concerning the appropriate volumes, and subject to PICA's comments concerning specific provisions of the plan, including the Credit Cost Factor, PICA submitted that the EESAI NRCC 2004-05 plan should be approved.

PICA noted that the adjustment mechanism for product acquired on a flow through basis was currently under review and was not currently set out in the NRCC RRT Application.[15] Subject to review of the noted adjustment mechanism, PICA was not opposed to approval of the proposed approach for procuring energy and establishing the energy prices for the NRCC as set out in EESAI's Revised NRCC RRT Application.

PICA submitted that in general it did not have any objection to the proposed calculation of the energy charge. However, PICA noted that various cost components included in the calculation would require further review and testing and should not be approved on a final basis.

PICA submitted that the requested return margin may not be appropriate. A better understanding of the risks associated with the projected NRCC loads and possible differences from prior years must be obtained. PICA submitted that such review and testing cannot be completed in the time frames allowed by the current legislative changes and can only reasonably be achieved as part of the final proceeding scheduled for March, 2004 and/or as part of a negotiation process.

PICA submitted that it also did not support the inclusion of the Credit Cost Factor requested by EESAI, even on an interim refundable basis. PICA argued that this untested and previously undelineated item did not share the same regulatory precedent as the return margin or the underlying plan and required further review and testing before it is allowed, even on an interim basis. PICA further submitted that given the fact neither EESI nor EESAI have sought explicit recovery of these costs in previous years would suggest that these costs were either overstated or have otherwise already been recovered through procurement costs or the return margin.

While PICA anticipated differences between residential and commercial line losses, it noted that the line loss numbers proposed by EESAI have not been tested. PICA observed that while these numbers may have been approved in prior proceedings for previous years, circumstances and information may indicate a revision is in order for the 2004-2005 period. Therefore, PICA submitted that the line loss factor used in the calculation of the energy charge should be approved only on an interim refundable basis.

Similarly, PICA requested that the Board approve the proposed Pool Trading Charges on an interim refundable basis, pending final review in the March 2004 proceeding.

With regard to the issue of single versus separate pools, PICA submitted that while there may be some minor impacts on either RCC or NRCC, the use of separate pools for RCC and NRCC would add an unnecessary level of complication and confusion for customers. There may also be efficiencies gained through the use of a single pool, helping to offset any differences in prices and/or gain or loss from having two procurement pools and two energy prices.

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[14] PICA.EESAI-I(d)

[15] PICA.EESAI-3

PICA submitted that the use of a uniform energy charge/kWh for RCC and NRCC customers may eliminate unnecessary confusion and controversy that differing prices may create. PICA further acknowledged that while the end energy price would differ between customers based on load, line losses and similar factors, there was no clear reason to support the difference in the fixed energy price.

PICA supported addressing this matter through a consultative process. However, in the event an agreement could not be reached, PICA recommended that the matter be reviewed as part of the final proceeding with any adjustments to the resulting energy charge included as part of the adjustment mechanism in subsequent periods.

Finally, PICA noted that the applicable volumes under the NRCC 2004-2005 Plan were to be determined by the RCC Consultation Parties and PICA. PICA stated that if the projected volumes were under one pool, this arrangement would appear reasonable, as all parties should have input into the final volumes. However, if the two portfolios were separated for calculation of the energy charge, then PICA did not see the value or appropriateness of having RCC parties supplying input into volume determinations for NRCC parties. In that situation, PICA suggested that RCC parties should not be involved in the determination of NRCC volumes.

Settlement Signatories

The following reply comments were made on behalf of AIPA, CCA, AAMD&C and the Montana Band, who were signatories to the EESAI 2004-2005 RRT Settlement Agreement (Settlement Signatories) and were participants in the Board proceedings that dealt with the EESAI 2004 RRT[16] and the EESAI 2004-2005 RRT Settlement Agreement,[17] which resulted in Decision 2003-074.

The Settlement Signatories disagreed with AE's proposal to include a review of Decision 2003-074 in the current EESAI proceeding, submitting that the settlement agreement between EESAI and the RCC Consultation Parties was not before the Board in this Application and should not be drawn into this proceeding. The Settlement Signatories further submitted that any issues with regard to the EESAI 2004-2005 RRT Settlement Agreement were between the parties to the agreement and should not be re-opened at the request of AE.

The Settlement Signatories submitted that they would support resolution of the issue of single versus separate pools through the consultative process and stated that the issue should only be brought before the Board if resolution could not be achieved.

3.4 Views of the Board

The Board notes that the proposed NRCC 2004-2005 Plan contains a "buy as you go approach" whereby one-year product, quarterly product and monthly (peak, off-peak, on peak and super peak) product are utilized to hedge the EESAI NRCC load requirements throughout the duration of the Plan. The Board notes that with the exception of the super peak product discussed below, EESAI NRCC customers are fully hedged within any given month since EESAI takes all hourly volume and price risk within the month. The Board considers that this approach eliminates the need for any retrospective price adjustments with respect to a given month since all procurement risk during a month remains with EESAI.

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[16] Application No. 1307244

[17] Application No. 1309992

To reduce the frequency of price adjustments from monthly to quarterly, EESAI forecasts the price of hedges that will be bought during a given quarter for use during that quarter. Under the Plan, any differences between the forecast and actual market price of hedges purchased during a given quarter for use during that quarter are recovered from customers during the following quarter. The Board notes that although customers are exposed to price changes in monthly and quarterly product as these products are purchased throughout the year, the frequency of price adjustments only occurs quarterly. The Board considers that this is a reasonable method of reducing the frequency of price adjustments to customers.

The Board also notes that, pursuant to the proposed NRCC Plan, EESAI may procure super peak product from the power pool at power pool prices during certain times of the year if customers agree to do so at that time. The Board considers that this option in the Plan, if implemented, would transfer hourly pool price risk to customers for a small portion of NRCC load. Recognizing that such exposure to hourly pool price is only an option in the plan, that such option can only be invoked during part of the year, and that such option can only be invoked with the approval of customers, the Board does not consider the degree of pool price risk which could be transferred to customers under the Plan to be material.

Having considered all of the evidence and argument, the Board is of the view that the 2004-2005 Plan will result in fair and reasonable final energy charges for EESAI's NRCC customers in 2004 and 2005. The Board considers that prudent and reasonable costs will be paid by EESAI for electric energy if the framework set out in the NRCC 2004-2005 Plan for acquiring price-hedging products is followed.

Further, having considered the terms of the NRCC 2004-2005 Plan in light of the requirements of *the RDS Regulation* and *the RDS Regulation Amendment*, the Board finds that the NRCC 2004-2005 Plan will result in an appropriate energy rate (before margin) for EESAI's NRCC for 2004 and 2005.

As a result, the Board is satisfied that the proposed NRCC 2004-2005 Plan will result in a fixed energy charge (before margin) that is just and reasonable and in the public interest. Accordingly, the Board approves, on a final basis, the fixed energy charge (before margin) that will result from the NRCC 2004-2005 price setting plan. However, the Board agrees that the requested return margin for the EESAI NRCC should be approved on an interim refundable basis.

Further, since EESAI's proposed Credit Cost Factor is a new and untested concept, the Board considers that the Credit Cost Factor should only be approved on an interim refundable basis.

The Board notes EESAI's submission that if there is agreement among the NRCC Consultation Parties,[18] EESAI would pool the acquired hedges to arrive at a single on-peak and off-peak energy price for RCC and NRCC. The Board further notes that EESAI submitted that it was prepared to facilitate discussions of the pooling issue among the NRCC Consultation Parties. Accordingly, the Board considers it more appropriate that the decision respecting pooling of

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[18] Meaning, in this context the parties to the settlement agreement that was approved in Decision 2003-074 and PICA.

RCC and NRCC energy portfolios should be deferred until the final proceeding, in order to provide some time for EESAI to facilitate discussions among the parties.

Accordingly, the Board directs EESAI to facilitate discussions among the NRCC consultation parties to determine if agreement can be reached respecting the pooling of energy for RCC and NRCC and also to resolve PICA's concern respecting the appropriateness of allowing RCC parties to be involved in the volume determinations for the NRCC portfolio, in the situation where separate pools were to be maintained. The Board further directs EESAI to provide a report to the Board on or before February 13, 2004 summarizing the positions of parties respecting the above portfolio pooling issues. The Board will then deal with any remaining issues at the EESAI final proceedings.

The Board notes PICA's concerns about line losses. At the same time, the Board also notes EESAI's submission that the proposed methodology for determining the line loss factor was the same methodology that has been approved in Decision 2003-074. For this reason, the Board considers it appropriate to approve the proposed EESAI line loss methodology on an interim refundable basis. The Board considers that this matter can be resolved during the final proceedings.

The Board also notes that PICA requested that the Board approve the proposed Pool Trading Charges on an interim refundable basis, pending final review in the March 2004 proceeding. However, the Board notes that the formula for the energy charge includes a flow-through of the Pool Trading Charges. As a result, the Board considers it appropriate to approve the component of the energy charge formula, which involves a flow-through of the actual Pool Trading Charges on a final basis.

The Board notes that EESAI was directed in Decision 2001-112 to file with the Board, for acknowledgement only, quarterly updates to the energy charges resulting from the operation of the EESAI RRT Energy Plan. The Board notes that EESAI is prepared to follow the same filing requirements with respect to the RCC 2004-2005 Plan. The Board agrees with EESAI that this is appropriate.

Accordingly, the Board directs EESAI to file with the Board all quarterly NRCC rate charges and the non-confidential calculations behind their determination that result from the implementation of the NRCC 2004-2005 Plan, as a Filing for Acknowledgement. As a result, the Board will then have the current NRCC rate charges on file to provide to any customer requesting this information. Further, to provide pricing information to customers as soon as possible, the Board considers that EESAI should post each NRCC rate class's quarterly energy price change to its website as soon as the new quarterly prices are available.

4 NRCC NON-ENERGY RATES

4.1 Views of the Applicant

The EESAI 2004 NRCC RRT non-energy charges reflect the administrative costs forecast to be incurred by EESAI to provide NRCC RRT service in the 2004 Test Year.
EESAI submitted that the delivery charge is intended to recover the costs incurred by EESAI for distribution access service and system access service under the Aquila Distribution Tariff (DT). The Aquila DT delivery charge incurred by EESAI will be passed through to EESAI NRCC

RRT customers together with a 3.75% return margin. EESAI will include in the charges applicable to NRCC a 3.75% return margin calculated on the Transmission Charge and Distribution Charge cost components of customer bills.

In the NRCC RRT Application, EESAI proposed to continue its existing administrative non-energy charges for each rate classification on an interim basis. EESAI's proposed energy and non-energy charges are in Schedule A of this Decision.

In the Revised NRCC RRT Application, EESAI indicated that as a result of the enactment of the *RDS Amendment Regulation*, it was expected that there could be adjustments to various non-energy costs including those related to hedging implementation and information technology. EESAI noted that the cost changes did not affect the interim non-energy charges for which EESAI had requested approval. EESAI further indicated that it would file appropriate amendments respecting the final non-energy charges in due course.

4.2 Views of the Interveners

No interveners opposed EESAI's proposal to continue its existing administrative non-energy charges for each rate classification on an interim basis.

4.3 Views of the Board

The Board notes that no party objected to EESAI's proposal to continue its existing administrative non-energy charges for each rate classification on an interim basis. In addition, the charges will be changed as required after the Board's final determination of 2004 non-energy charges. The Board considers that this approach will provide the greatest degree of stability to RRT customers until final approval of non-energy charges.

Therefore, the Board accepts EESAI's proposal to continue its existing non-energy charges for each rate classification on an interim refundable basis.

5 NRCC NON-ENERGY DEFERRAL ACCOUNTS

EESAI requested interim approval for three non-energy deferral accounts:

1) Volume Deferral Account
2) Bad Debt Expense Deferral Account
3) Hearing Cost Reserve Account

5.1 Volume Deferral Account

5.1.1 Views of the Applicant

EESAI submitted that it has determined its non-energy charges based on the forecast revenue requirement and average number of sites billed in 2004. EESAI proposed to implement a deferral account for variances between the forecast and actual number of sites billed. EESAI indicated that the non-energy charge would be trued-up on a quarterly basis based on the outstanding balance in the Volume Deferral Account. EESAI proposed the following formula for the Volume Deferral Account:

$$VDA_{adj} = (1 - AS_{Q1} \div FS_{Q1}) \text{ x } FRR_{Q1} \div FS_{Q3} \text{ x } VC_{adj}$$

Where

VDA_{adj} is the Volume Deferral Account Adjustment
FS_{Q1} is the forecast sites billed in Q1
AS_{Q1} is the actual sites billed in Q1
FRR_{Q1} is the forecast non-energy revenue for Q1
FS_{Q3} is the forecast sites billed in Q3
VC_{adj} is the variable cost adjustment

EESAI indicated that this proposed adjustment would be calculated by rate class and would commence in the third quarter of 2004.

EESI estimated that approximately 24.3% of the 2004 NRCC RRT non-energy revenue requirement varies proportionally to volume. Therefore, EESAI proposed that the variable cost adjustment (VC_{adj}) in the above formula be set to 75.7% (i.e., 100%-24.3%).

5.1.2 Views of the Interveners

No interveners commented on the proposed Volume Deferral Account.

5.1.3 Views of the Board

Earlier in this Decision, the Board approved EESAI's request to continue its current non-energy tariff on an interim basis. The Board notes that the non-energy component of EESAI's current tariff does not include a Volume Deferral Account.

The Board is not persuaded that it is appropriate to implement a Volume Deferral Account on an interim basis. The Board considers that it would be more appropriate to consider the merits of using a Volume Deferral Account that transfers risk to customers in the context of EESAI's overall risk and capital structure determination.

Therefore, the Board denies EESAI's request to implement a Volume Deferral Account on an interim basis.

5.2 Bad Debt Expense Deferral Account

5.2.1 Views of the Applicant

EESAI proposed to implement a deferral account to capture the variance between forecast and actual bad debt expense. The following formula was proposed for the Bad Debt Expense Deferral Account:

$$BDD_{adj} = (ABD\%_{Q1} - FBD\%_{Q1}) \times FRR_{Q1} \div FS_{Q3}$$

Where

BDD_{adj} is the Bad Debt Expense Deferral Account Adjustment
$ABD\%_{Q1}$ is actual Bad Debt Expense percentage in Q1
$FBD\%_{Q1}$ is forecast Bad Debt Expense percentage in Q1
FRR_{Q1} is the forecast total revenue for Q1
FS_{Q3} is the forecast sites billed in Q3

EESAI noted that bad debt expense is currently tracked against an aggregation of customer groups, which include RRT residential and small commercial customers, as well as default supply and competitive customers. EESAI indicated that this tracking procedure would be updated to detail bad debt expense by customer class in accordance with Code of Conduct requirements. Further, this new procedure would be in operation for January 1, 2004, resulting in more accurate forecasting and reconciliation by rate class.

EESAI also indicated that in 2004 the proposed Bad Debt Expense Deferral Account would be tracked and recorded. Based on this proposal, actual reconciliation against non-energy cost would occur on a quarterly basis by rate class commencing in the third quarter of 2004, and in turn would be reflected by a corresponding change in the monthly billing charge.

5.2.2 Views of the Interveners

No interveners commented on the proposed Bad Debt Expense Deferral Account.

5.2.3 Views of the Board

Earlier in this Decision, the Board approved EESAI's request to continue its current non-energy tariff on an interim basis. The Board notes that the non-energy component of EESAI's current tariff does not include a Bad Debt Expense Deferral Account.

The Board is concerned about the possibility that implementation of a Bad Debt Expense Deferral Account could potentially reduce EESAI's incentive to manage bad debt expense appropriately. Furthermore, the Board considers that it would be more appropriate to consider the merits of using a Bad Debt Expense Deferral Account to transfer risk to customers in the context of EESAI's overall risk and capital structure determination in the final proceeding.

For all of these reasons, the Board denies EESAI's request to implement a Bad Debt Deferral Account on an interim basis.

The Board notes EESAI's commitment to track bad debt expense by rate class effective January 1, 2004.[19] The Board considers that this is an improvement from past procedures and will help to mitigate the potential for cross subsidization across rate classes in the area of bad debt expense.

5.3 Hearing Cost Reserve Account

5.3.1 Views of the Applicant

EESAI proposed to establish a Hearing Cost Reserve Account which would include any difference between the $300,000 forecast amount and the actual Board-approved hearing costs for both EESAI and interveners.

EESAI proposed that the Hearing Cost Reserve Account should be reconciled in subsequent applications.

5.3.2 Views of the Interveners

No interveners commented on the proposed Hearing Cost Reserve Account.

5.3.3 Views of the Board

The Board agrees with EESAI that a Hearing Cost Reserve Account should be established effective January 1, 2004, consistent with the treatment of hearing costs for other utilities regulated by the Board. Although the Board notes that EESAI's forecast of hearing costs was not tested during the interim proceedings, the Board considers EESAI's forecast can be accepted on an interim basis.

6 RRT TERMS AND CONDITIONS

6.1 Introduction

EESAI requested approval of Terms and Conditions (T&Cs) applicable to NRCC service attached as Schedule C to the NRCC RRT Application.

The Board had previously approved T&Cs for EESAI RRO service (which applied to both RCC and NRCC service) in Decision 2000-91 dated December 29, 2000. For the convenience of the reader, and the completeness of the EESAI RRT, the Board has included the current Board approved EESAI T&Cs as Schedule D. The Board notes that the T&Cs set out in Schedule D continue to apply to RCC service.

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[19] EESAI referred to the customer class Code of Conduct requirements

6.2 Views of the Applicant

EESAI indicated that the requested NRCC T&Cs were generally consistent with those previously approved by the Board for EESAI for RRO service provided in the Aquila service area.

EESAI submitted that the differences between the applied-for T&Cs for NRCC (Schedule C) and those currently approved for EESAI (Schedule D) were as follows:

- References to UtiliCorp Networks Canada (Alberta) Ltd. have been replaced with references to Aquila Networks Canada (Alberta) Ltd.
- Definitions of "Eligible Customer", "Rate Classification Customer", "Non–Rate Classification Customer" and "Force Majeure" have been added.
- Section 3.2 "Application for Service" has been revised to reflect a requirement for 30 rather than 90 days' notice to obtain Regulated Rate Service. In addition, references to "Eligible Customer" have been replaced with references to "Non–Rate Classification Customer".
- Section 3.3(b) "Credit Information" has been expanded to address instances in which credit information is not supplied as requested.
- References to fees for expedited service have been deleted from section 3.8 "Account Closure on Switch of Retailer".
- Section 5.5 "Late Payment Charge" has been revised to delete references to the late payment fee that was associated with the previous billing system.
- Section 7.2 "Force Majeure" has been added.
- Section 7.4 "Distribution Tariff" has been added to clarify the customer's obligations to provide a service connection in order to receive Regulated Rate Service and to comply with the provisions of the Distribution Tariff. The section also clarifies that EESAI is responsible for making payment on behalf of the customer for all payments related to ANC's distribution tariff and that the customer is responsible for payment to EESAI of the related charges. Accordingly, EESAI may request de-enrollment of the service should the customer default on the obligations provided in the Terms and Conditions.
- Article 10 "End of Service" has been deleted to reflect the removal of Supplier of Last Resort as a service option and the RRT as a replacement for RRO residential and small commercial customers.

In the Revised NRCC RRT Application, EESAI amended section 3.8 of the Regulated Rate Tariff Terms and Conditions (attached as Schedule C of this Decision) to include a revised notice period for account closure. EESAI increased the notice period from "no less than 30 days" to "no less than 60 days" in the event of a customer switching to a new retailer.

6.3 Views of the Interveners

No interveners commented on the proposed revisions to the T&Cs.

6.4 Views of the Board

The Board notes that no party objected to the interim approval of the T&Cs proposed by EESAI. The Board considers that the differences between the proposed EESAI T&Cs and those originally approved by the Board for EESAI in Decision 2000-91 are not significant.

Therefore, the Board approves the NRCC T&Cs proposed by EESAI (Attached as Schedule C of this Decision) on an interim basis.

7 SUMMARY OF BOARD APPROVALS

This section is provided for the convenience of readers. In the event of any difference between the Directions in this section and those in the main body of the Decision, the wording in the main body of the Decision shall prevail.

1. As a result, the Board is satisfied that the proposed NRCC 2004-2005 Plan will result in a fixed energy charge (before margin) that is just and reasonable and in the public interest. Accordingly, the Board approves, on a final basis, the fixed energy charge (before margin) that will result from the NRCC 2004-2005 price setting plan. However, the Board agrees that the requested return margin for the EESAI NRCC should be approved on an interim refundable basis. 12
2. Further, since EESAI's proposed Credit Cost Factor is a new and untested concept, the Board considers that the Credit Cost Factor should only be approved on an interim refundable basis. 12
3. The Board notes PICA's concerns about line losses. At the same time, the Board also notes EESAI's submission that the proposed methodology for determining the line loss factor was the same methodology that has been approved in Decision 2003-074. For this reason, the Board considers it appropriate to approve the proposed EESAI line loss methodology on an interim refundable basis. The Board considers that this matter can be resolved during the final proceedings. 13
4. The Board also notes that PICA requested that the Board approve the proposed Pool Trading Charges on an interim refundable basis, pending final review in the March 2004 proceeding. However, the Board notes that the formula for the energy charge includes a flow-through of the Pool Trading Charges. As a result, the Board considers it appropriate to approve the component of the energy charge formula, which involves a flow-through of the actual Pool Trading Charges on a final basis. 13
5. Therefore, the Board accepts EESAI's proposal to continue its existing non-energy charges for each rate classification on an interim refundable basis. 14
6. For all of these reasons, the Board denies EESAI's request to implement a Bad Debt Deferral Account on an interim basis. 16
7. The Board had previously approved T&Cs for EESAI RRO service (which applied to both RCC and NRCC service) in Decision 2000-91 dated December 29, 2000. For the convenience of the reader, and the completeness of the EESAI RRT, the Board has included the current Board approved EESAI T&Cs as Schedule D. The Board notes that the T&Cs set out in Schedule D continue to apply to RCC service. 17

8. Therefore, the Board approves the NRCC T&Cs proposed by EESAI (Attached as Schedule C of this Decision) on an interim basis. 19

8 SUMMARY OF BOARD DIRECTIONS

This section is provided for the convenience of readers. In the event of any difference between the Directions in this section and those in the main body of the Decision, the wording in the main body of the Decision shall prevail.

1. Accordingly, the Board directs EESAI to facilitate discussions among the NRCC consultation parties to determine if agreement can be reached respecting the pooling of energy for RCC and NRCC and also to resolve PICA's concern respecting the appropriateness of allowing RCC parties to be involved in the volume determinations for the NRCC portfolio, in the situation where separate pools were to be maintained. The Board further directs EESAI to provide a report to the Board on or before February 13, 2004 summarizing the positions of parties respecting the above portfolio pooling issues. The Board will then deal with any remaining issues at the EESAI final proceedings............................. 13

2. Accordingly, the Board directs EESAI to file with the Board all quarterly NRCC rate charges and the non-confidential calculations behind their determination that result from the implementation of the NRCC 2004-2005 Plan, as a Filing for Acknowledgement. As a result, the Board will then have the current NRCC rate charges on file to provide to any customer requesting this information. Further, to provide pricing information to customers as soon as possible, the Board considers that EESAI should post each NRCC rate class's quarterly energy price change to its website as soon as the new quarterly prices are available. 13

9 ORDER

For and subject to the reasons set out in this Decision, the Board orders EESAI to implement:

1) the approved interim 2004-2005 NRCC 2004-2005 Energy Price Setting Plan attached as Appendix 2 to this Decision;
2) the rates in the Price Schedules attached as Schedule A of this Decision, on an interim refundable basis, effective January 1, 2004; and
3) the Terms and Conditions attached as Schedule C of this Decision, on an interim basis, effective January 1, 2004.

Dated in Calgary, Alberta on December 5, 2003.

ALBERTA ENERGY AND UTILITIES BOARD

N. W. Macdonald

N. W. MacDonald, P. Eng.
Presiding Member

R Lock.

R. G. Lock, P. Eng.
Member

J. I. Douglas, FCA
Member

APPENDIX 1 – PROCEEDING PARTICIPANTS

Name of Organization/ Participant and (Abbreviations Used in Report)

EPCOR Energy Services (Alberta) Inc. (EESAI)

ATCO Electric Limited (AE)

Consumers Coalition of Alberta (CCA)

EESAI Settlement Signatories

Alberta Association of Municipal Districts and Counties (AAMDC),
Alberta Irrigation Projects Association (AIPA),
Consumers Coalition of Alberta (CCA), and
the Montana Band.

Public Institutional Consumers of Alberta (PICA)

APPENDIX 2– EESAI AMENDED APPLICATION LETTER AND ATTACHMENTS, INCLUDING THE 2004 AND 2005 NON-RATE CLASSIFICATION CUSTOMERS ENERGY PROCUREMENT PLAN

"EESAI Amended
Application Letter.do

EESAI Amended Application Letter
(Consists of 5 pages)

"EESAI Attachment
2 EPSP.doc"

"EESAI Schedules to
NRCC EPSP.doc"

Attachment "2"– 2004 and 2005 Non-Rate Classification Customers Energy Price Setting Plan & Attached Schedules A to F
(Consists of 9 pages and 29 pages)

"NRCC Energy
Charge Schedule.doc

Attachment "3"– 2004 and 2005 Non-Rate Classification Customers Energy Charge Schedule
(Consists of 3 pages)

EPCOR

November 19, 2003

Alberta Energy and Utilities Board
11th Floor, 10055 - 106 Street
Edmonton, Alberta
T5J 2Y2

Attention: Mr. Robert Litt
Lead Application Officer

Dear Sir:

Re: EPCOR Energy Services (Alberta) Inc. (EESAI)
2004 Regulated Rate Tariff Application (Non-Rate Classification Customers)
Application No. 1317308; File No. 1707-9

Introduction and Approvals Requested

On November 4, 2003 (by Ministerial Order 73/2003) the Minister of Energy made the *Regulated Default Supply Amendment Regulation* (RDS Amending Regulation) and thereby amended the *Regulated Default Supply Regulation*, A.R. 168/2003 (RDS Regulation). Among other things, the amendments to the RDS Regulation stipulate that only a transition rate be provided for all eligible customers up to and including June 30, 2006.

As a consequence of the enactment of the RDS Amending Regulation, it is necessary for EESAI to amend its 2004 RRT Application (Application). Specifically, the Application is hereby amended by deleting Section 5 and Section 2.2 and as otherwise required such that the Application no longer requests approval of either flow-through energy charges or the energy charge deferral account for non-rate classification customers (Non-RC Customers). Also, section 3.8 of the Regulated Rate Tariff Terms and Conditions (Schedule B to the Application) is amended to include a revised notice period for account closure. A copy of the revised Terms and Conditions is included as Attachment "1" to this letter.

The Application, as amended, continues to seek approval of the Price Schedules (Schedule A to the Application) on an interim refundable basis effective January 1, 2004. However, it will be appreciated that the energy charge in each Price Schedule will now be determined in the manner discussed below. As explained later in this letter, EESAI proposes to file with the Board, for acknowledgement only, updated Price Schedules that reflect those energy charges. EESAI also continues to request approval of :

a) the Regulated Rate Tariff Terms and Conditions (amended as discussed above); and,

b) the interim non-energy charges as discussed in section 2.1 of the Application.

As mentioned above, the amendments to the RDS Regulation that were enacted by the RDS Amending Regulation stipulate that an owner (or a party, such as EESAI, that is providing regulated default supply service on behalf of an owner) provide only a transition rate for all eligible customers up to and including June 30, 2006. The principal immediate impact of this requirement is that EESAI must now continue to offer after December 31, 2003 a hedged rate – rather than a flow-through rate – to what it refers to as small commercial, oil and gas and lighting customers.

Subparagraph 4(1)(c)(i) of the RDS Regulation, as amended, states that an owner (and thus EESAI) must make arrangements to manage financial risk associated with the electric energy supply required to provide a hedged rate to its regulated default supply customers. The Energy Price Setting Plan (RCC Plan) that was approved by the Board in Decision 2003-74, satisfies that requirement as it relates to rate classification customers. In order to satisfy the same requirement as it relates to other eligible customers (i.e., small commercial, oil and gas, and lighting customers), EESAI proposes to implement further 2004/2005 Energy Price Setting Plan (Non-RCC 2004/2005 Plan). A copy of the Non-RCC 2004/2005 Plan (excluding the confidential portions thereof[1]) is attached as Attachment "2" to this letter. EESAI requests that the Board approve, on or before November 30, 2003:

a) the Non-RCC 2004/2005 Plan;

b) the approach to procuring energy and establishing the energy prices for Non-RC Customers that is described below;

c) the Energy Charge Schedule for Non-RC Customers (Non-RCC Energy Charge Schedule), a copy of which is attached as Attachment "3";

d) the Credit Cost Factor that is described below, on an interim refundable basis.

The requested approvals are required prior to November 30, 2003 in order to provide EESAI with sufficient time to implement the Non-RCC 2004/2005 Plan and procure the required energy supplies prior to January 1, 2004.

Overview of Proposed Procurement and Energy Price Setting Approach

The Non-RCC 2004/2005 Plan is, in most respects, the same as the RCC Plan. The only material difference between the Plans concerns the process to approve the load forecast volumes as described below.

Under the RCC Plan, the Consultation Parties will approve the load forecast volumes required for the operation of the Plan. EESAI proposes that the Consultation Parties also serve in that role for purposes of the Non-RCC 2004/2005 Plan. Further, Mr. Sheldon Fulton (of Forte Business

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[1] EESAI expects to have the confidential portions of the Non-RCC 2004/2005 Plan completed by November 24, 2003.

Solutions Ltd.) will be retained to serve in the role of independent advisor to aid in the execution of the Non-RCC 2004/2005 Plan.

EESAI also proposes that, for the 2004 and 2005 calendar years, the energy price applicable under the EESAI Non-RCC Regulated Rate Tariff (RRT) will be determined in accordance with the Non-RCC 2004/2005 Plan and the Non-RCC Energy Charge Schedule.

The charges applicable to Non-RC Customers will include a 3.75% return margin calculated on the energy charge cost component and on the Transmission and Distribution Charge cost components of customer bills.

To the extent possible, all energy procurement under the Non-RCC 2004/2005 Plan will be completed in conjunction with the procurement of electric energy to meet the obligations of EESAI to provide RRT service to rate classification customers in the Aquila Networks Canada (Aquila) service area and EESI to provide RRT service to eligible customers in non-Aquila service areas.

Notwithstanding anything to the contrary in the Non-RCC 2004/2005 Plan, EESAI and the Consultation Parties may agree that all or part of the Super Peak Products for the first and fourth quarters of each of 2004 and 2005 be acquired through the Power Pool. To the extent that all or a portion of such Super Peak Products are acquired through the Power Pool, the return margin applied to the energy charge for the portion of the Super Peak Products acquired through the Power Pool will be reduced by 75% from the level established under the Settlement Agreement. EESAI and the Consultation Parties may also agree to replace certain yearly or monthly products with longer duration products (e.g., replace Peak Product with Base Product) if certain price ratios are exceeded during procurement sessions. Any differences between the acquisition price and the deemed sale price of volumes in the shoulder or off-peak hours associated with the replacement would be factored into the calculation of the energy charge. This mechanism is also included in the RCC Plan.

The Aggregate Line Loss component of the energy charges applicable to the Non-RCC for 2004 and 2005 will be set equal to the most recent Board approved theoretical line losses in the Aquila service area plus Unaccounted For Energy, updated by EESAI on a quarterly basis (based upon the most recent 12 months of final settlement results received by EESAI from Aquila). If an amendment to the Non-RCC Energy Charge Schedule is required to adjust for new theoretical line losses, as contemplated above, such amendment will be made on a prospective basis beginning with the next Quarter, provided that any Board decision approving revised theoretical line losses is issued at least 30 days prior to the start of the next Quarter, otherwise, the change will be implemented in the Quarter after that.

EESAI will file with the Board, for acknowledgement only, quarterly updates to the energy charges resulting from the operation of the Non-RCC 2004/2005 Plan as well as the Price Schedules that reflect those energy charges.

In order to provide a hedged transition rate for the Non-RC Customers, EESAI will incur incremental costs associated with posting credit with counter-parties for the purpose of procuring wholesale products under the Energy Price Setting Plan. The cost of these prudential requirements is forecast to be equal to the product of 1.5% multiplied by 28% of the actual total costs of Products procured under the Non-RCC 2004/2005 Plan. Currently, prudential requirements are expected to cover a 28% fluctuation in market prices and this provides the basis for using 28% of the procurement costs in determining the cost of prudential requirements. EESAI is proposing to include these costs in the energy charge through a scaling factor (Credit Cost Factor) of 1.0042.

EESAI recognizes that the concept of including the credit costs associated with the procurement of wholesale products has not been tested before the Board and therefore requests that the Credit Cost Factor be approved on an interim refundable basis effective January 1, 2004.

Projected Energy Charges

The 2003, 2004 and 2005 energy charges shown in Table 1 below have been calculated on the basis of actual prices for 2003 as well as current forward prices and estimated ratios of on-peak and on-super-peak to base prices. It should be noted that the actual energy prices would be determined only if and when the Non-RCC 2004/2005 Plan is approved and implemented and would reflect the actual procurement costs prevailing at the relevant times.

Table 1: Projected Energy Charges

$/MWh	Small Commercial	Oil and Gas	Lighting
2003 Q1	61.25	59.89	45.82
2003 Q2	62.95	62.62	48.97
2003 Q3	61.57	59.67	48.50
2003 Q4	62.28	62.84	53.27
2004 Q1	55.75	55.54	48.89
2004 Q2	53.49	52.38	35.00
2004 Q3	54.16	53.16	39.05
2004 Q4	53.84	52.70	43.72
2005 Q1	49.29	49.10	43.29
2005 Q2	49.60	48.55	32.24
2005 Q3	50.07	49.14	36.02
2005 Q4	50.27	49.20	40.84

Changes to Final Non-Energy Charges

The amendments to the RDS Regulation are expected to result in adjustments to various non-energy costs including those related to hedging implementation and information technology. However, these cost changes do not affect the interim non-energy charges for which EESAI has requested approval. EESAI therefore intends to file appropriate amendments respecting the final non-energy charges in due course.

A copy of this letter, with attachments, will be provided to each party on the Board's circulation list for the EESAI 2004 and 2005 Negotiated Settlement proceeding.

I will arrange to have 12 copies of this letter, with attachments, delivered to the Board's Calgary office by courier.

Please contact me at (780) 441-7111 if you have any questions.

Sincerely,

<original signed by>

Jay M. Baraniecki
Manager, Regulatory Analysis

cc Interested Parties to the EESAI 2004 and 2005 Negotiated Settlement

Attachment "2"

to the EESAI 2004 RRT Amended Application Letter for Non-Rate Classification Customers
dated November 19, 2003

2004 AND 2005 ENERGY PRICE SETTING PLAN

1. Definitions

Capitalized terms used in this non-rate classification customer 2004 and 2005 Energy Price Setting Plan (Non-RCC 2004/2005 Plan), that are not otherwise defined herein, have the respective meanings ascribed to those terms in Schedule "A" to this Non-RCC 2004/2005 Plan.

2. RRT Transition Rate Energy Cost

The energy cost component of EESAI's RRT Transition Rate for Non-RCC will be determined on the basis of the Base Energy Portfolio Price, Off-Peak Energy Portfolio Price and Peak Energy Portfolio Price in the Energy Product Portfolio established under this Non-RCC 2004/2005 Plan.

3. Energy Product Portfolio

(a) The Energy Product Portfolio may be made up of Monthly Products, Quarterly Products and One-Year Products.

(b) The target composition of the Energy Product Portfolio for 2004 and 2005 is set out in Schedule "B" to this Non-RCC 2004/2005 Plan in the case of One-Year Products and will be set out in Schedule "C" in the case of Monthly Products. Quarterly Products may be acquired as a replacement for Monthly Products as provided in the applicable Monthly Product Schedule.

(c) The target composition of the One-Year Products for 2005 will be established in accordance with the process described for Monthly Products under Section 3(d). A portion of the target composition for 2005 may be purchased in advance of 2005 in accordance with Schedule "B". The process for establishing the Monthly Product Schedules, as provided in Section 3(d), will be used for establishing the One-Year Product Portfolio for 2005.

(d) The Monthly Product Schedule for each Quarter in 2004 and 2005 will be established in the following manner:

(i) At least 7 weeks before the start of each Quarter, EESAI[1] will provide to the Consultation Parties a Monthly Product Schedule it proposes for the Quarter setting out, among other things, the EESAI RRT Transition Rate Non-RCC Volumes of Monthly Products forecast for the Quarter comprised of Monthly Base Product, Monthly Peak Product and Monthly Super Peak Product proposed to be acquired for each month during the Quarter for EESAI RRT Transition Rate Non-RCC, the Forecast Peak Load Portion for the Quarter, the NRCFPLP for the EESAI RRT Transition Rate Non-RCC for the Quarter and the forecast energy consumption at the customer meter for EESAI RRT Transition Rate Non-RCC for the Quarter.

(ii) The Consultation Parties' representatives will have a period of 1 week to review the proposed Monthly Product Schedule and discuss the EESAI RRT Transition Rate Non-RCC Volume forecast, the Forecast Peak Load Portion, the NRCFPLP for EESAI RRT Transition Rate Non-RCC for the Quarter and the forecast energy consumption at the customer meter for each EESAI RRT Transition Rate Non-RCC for the Quarter. If the Consultation Parties' representatives agree, the Monthly Product Schedule proposed by EESAI will become the Monthly Product Schedule for the Quarter.

(iii) If the Consultation Parties' representatives do not agree with the proposed Monthly Product Schedule within the 1 week period, the matter will be immediately submitted to dispute resolution, which will be conducted as follows:

(A) Representatives of both EESAI and the Consultation Parties, and the Advisor will use their best efforts to meet to discuss the proposed Monthly Product Schedule within 2 business days after the expiration of the 1 week period. At that meeting, each party shall cooperate fully by answering any questions the other party or the Advisor may have respecting the proposed Monthly Product Schedule and the representatives of EESAI and the Consultation Parties will work diligently and in good faith to reach agreement concerning the proposed Monthly Product Schedule.

(B) If no agreement is reached at the meeting provided for under section 3(c)(iii)(A), within 1 business day after the expiration of the 2 business day period, the representatives of EESAI and the Consultation Parties will each submit a final proposed Monthly Product Schedule including its proposed EESAI RRT Transition

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[1] Note that for the First Quarter of 2004 only, EESAI will provide the monthly schedule to the Consultation Parties by November 24, 2003.

Rate Customer Non-RCC Volumes and Forecast Peak Load Portion, the RCFPLP for EESAI RRT Transition Rate NON-RCC for the Quarter and the forecast energy consumption at the customer meter for each EESAI RRT Transition Rate NON-RCC for the Quarter (**Final Proposed Monthly Product Schedule**) to each other and to the Advisor. If a party elects not to provide a Final Monthly Product Schedule within the allowed time, the Advisor will proceed to resolve the matter based on the Final Monthly Product Schedule provided by the other party.

(C) After considering the Final Proposed Monthly Product Schedule(s) submitted, the Advisor must, within 2 business days of the Final Monthly Product Schedule(s) being submitted, select one of the following options:

(1) Decide in favour of EESAI's Final Proposed Monthly Product Schedule, if submitted; or

(2) Decide in favour of the Consultation Parties' Final Proposed Monthly Product Schedule, if submitted

The Advisor will select the option that, in the opinion of the Advisor, best reflects the required EESAI RRT Transition Rate Non-RCC Volume and Forecast Peak Load Portion, the NRCFPLP for EESAI RRT Transition Rate Non-RCC for the Quarter and the forecast energy consumption at the customer meter for each EESAI RRT Transition Rate Non-RCC for the Quarter for EESAI's RRT Transition Rate.

(iv) The Final Proposed Monthly Product Schedule selected by the Advisor will become the Monthly Product Schedule for the Quarter.

(v) The decision of the Advisor under Section 3(c)(iii) is final and binding on both EESAI and the Consultation Parties and may not be appealed by either party to the AEUB.

(vi) All of the material provided by a party and positions taken by a party throughout the dispute resolution process are confidential and may not be disclosed by any other party without prior written consent.

4. Acquisition Process

(a) Subject to Section 4(b), EMC will conduct a series of Rounds, in accordance with the Protocol as necessary to acquire the Total RRT Transition Rate Target Non-RCC Volumes of each Product for the RRT Transition Rate Non-RCC for 2004 and 2005.

(b) In the case of One-Year Products, the EESAI RRT Transition Rate Non-RCC Volume Percentage share, as set out in Schedule "B" to this 2004 and 2005 Plan, of the total volume of each One-Year Product acquired under this 2004 and 2005 Plan, will be attributed to EESAI's Energy Product Portfolio for the purpose of establishing the energy cost component of EESAI's RRT Transition Rate for Non-RCC.

(c) In the case of Monthly Products, the EESAI RRT Transition Rate Non-RCC Volume Percentage share of the Total RRT Transition Rate Target Volume of each Monthly Product, in each case as set out in the applicable Monthly Product Schedule established in accordance with Section 3(c) above without regard for any changes to the Total RRT Transition Rate Target Volume that may subsequently made by EESAI in accordance with the Monthly Product Schedule, will be attributed to EESAI's Energy Product Portfolio for the purpose of establishing the energy cost component of EESAI's RRT Transition Rates for Non-RCC.

(d) Power Pool Target Volumes will be established for scheduled Products if the acquisition process, in accordance with the Protocol, produces prices which exceed the Threshold Prices. Threshold Prices are included in Schedule "B" for One-Year Products and Schedule "C" for Monthly Products. The Power Pool Target Volumes will remain in place unless the Consultation Parties representative agrees to either purchase the scheduled Target Volumes at prices greater than the Threshold Prices or reschedule the acquisition of the Products.

5. Determination of Energy Portfolio Prices

(a) Following completion of Product acquisition for any specified period, the Base Energy Portfolio Price, the Off-Peak Energy Portfolio Price and Peak Energy Portfolio Price will be determined for that period.

(b) As soon as practicable prior to the start of each Quarter of 2004 and 2005, EESAI will provide to the Consultation Parties' representatives, the energy price for the Quarter determined in accordance with the formulas set out in the Non-RCC Energy Charge Schedule approved by the AEUB for 2004 and 2005. The Consultation Parties' representatives will have a 1 week period to review the energy price after which it will be filed with the AEUB for acknowledgement and will be implemented at the start of the Quarter.

(c) EESAI will file the resulting energy price with the Board for acknowledgment before the start of each Quarter in 2004 and 2005.

6. Timelines

(a) The first series of Rounds to acquire Products for the EESAI RRT Transition Rate Non-RCC and attribute Products to EESAI's Energy Product Portfolio for 2004 and 2005 will commence immediately upon Board approval and will continue in accordance with the timelines set out in Schedule "B" to this Plan as required to acquire the Total RRT Transition Rate Target Volumes for One-Year Products for 2004 and 2005.

(b) Subject to Section 4 above, subsequent series of Rounds will be conducted to acquire Monthly Products for the RRT Transition Rate Non-RCC and to attribute Monthly Products to the Energy Product Portfolio in accordance with the timelines set out in the applicable Monthly Product Schedules.

7. Consultation and Dispute Resolution Process

7.1 Designation of Representatives and Board Observer

Prior to first series of Rounds for each of 2004 and 2005, EESAI will designate an individual and an alternate to represent it, and the Consultation Parties will designate an individual and an alternate to represent them during the Rounds (**Representative**). The designated Representative will work in good faith to facilitate the carrying out of the Rounds as contemplated by this 2004/2005 Plan.

7.2 Representation during Rounds

Rounds are dynamic processes where it is essential to be able to make decisions in a timely and efficient manner to respond to changing circumstances. The Representatives of EESAI and the Consultation Parties will be available during each Round and, working with the Advisor, will have authority to agree to modifications to the Protocol as necessary to respond to particular circumstances that may arise during the Round with the objective of reducing Energy Portfolio Prices. If, during a Round, the Representatives of EESAI and the Consultation Parties do not agree on a particular modification, the Round will continue without the modification.

7.3 Certification following Round

Within 2 business days following the completion of each Round, EESAI will prepare and circulate to the Representatives of the Consultation Parties and the Advisor, a Certification of Compliance for that Round certifying that EESAI has carried out that Round in compliance with the requirements of this 2004/2005 Plan. Unless the Representatives of EESAI and the Consultation Parties agree to proceed, a subsequent Round will not be initiated until the respective Representatives of EESAI, the Consultation Parties and the Advisor, who were present at the Round, have signed the Certification of Compliance for the Round.

7.4 Consultation Process between Rounds

Representatives of EESAI and the Consultation Parties will meet with the Advisor within 2 business days or such other time as they may agree following the end of each Round. The Representatives and the Advisor will review the results of the Round and any market developments or trends that any party may reasonably believe will have a material impact on the continued implementation of the 2004/2005 Plan. This could include, but is not limited, to significant changes in market prices or EESAI RRT Transition Rate load requirement. At the request of either party, EESAI and the Consultation Parties will work in good faith to identify any improvements that can be made to the Protocol taking into account the matters discussed above. EESAI and the Consultation Parties will work diligently to agree on any amendments to the Protocol that may be necessary to implement the identified improvements.

7.5 Dispute Resolution

(a) If the Representatives of EESAI and the Consultation Parties are unable to agree pursuant to Section 7.4 as to whether any improvements need to be made to the

Protocol or on any amendments necessary to implement any identified improvement, subject to Section 7.5(k), either EESAI or the Consultation Parties (**Disputing Party**) may at any time invoke the dispute resolution process (**Dispute Resolution Process**) under this Section 7.5 by providing a written notice (**Dispute Notice**) to the other party, the Advisor and the Board Observer. The Dispute Notice must:

(i) identify the specific change that is proposed (**Proposed Change**) and the impact the Proposed Change would reasonably be expected to have on RRT rates, if any; and

(ii) identify the reason for the Proposed Change and the harm that would reasonably be expected to occur if the Proposed Change is not made.

(b) The Representatives of EESAI and the Consultation Parties, the Advisor and the Board Observer will use their best efforts to meet to discuss the Proposed Change within 2 business days of the Dispute Notice being provided. At that meeting, the Disputing Party invoking the Dispute Resolution Process shall cooperate fully by answering any questions the other party (**Other Party**), the Advisor or the Board Observer may have respecting the Proposed Change and the Representatives of EESAI and the Consultation Parties will work diligently and in good faith to reach agreement concerning the Proposed Change.

(c) If no agreement is reached at the meeting provided for under section 7.5(b), the Disputing Party must provide written notice (**Election Notice**) to the Other Party, the Advisor and the Board Observer within 1 business day of the conclusion of the meeting if it wishes to continue the Dispute Resolution Process.

(d) If the Disputing Party elects to continue the Dispute Resolution Process pursuant to Section 7.5(c), the Other Party may provide written notice (**Continuation Notice**) to the Disputing Party within 1 business day of receiving the Election Notice advising the Disputing Party whether it agrees to continue the Dispute Resolution Process.

(e) If the Disputing Party does not provide the Election Notice as provided under section 7.5(c), or if the Other Party provides a Continuation Notice advising that it does not agree to continue the Dispute Resolution Process or does not provide the Continuation Notice as provided under section 7.5(d), the Disputing Party will be free to pursue the Proposed Change with the AEUB provided that the Disputing Party must ask the AEUB to decide the matter on an expedited basis and respect the confidential nature of the matters to be addressed to the extent permitted under the AEUB's rules of practice.

(f) If the Other Party agrees to continue the Dispute Resolution Process under Section 7.5(d), then both the Disputing Party and the Other Party will submit a "Final Proposal" (**Final Proposal**) in respect of the matters addressed in the Dispute Notice, to each other, the Advisor and the Board Observer within 1 business day of the Continuation Notice being provided. Any Final Proposal submitted must include the information required to be included in the Dispute Notice. If a party elects not to provide a Final Proposal within the allowed time, the Advisor and the Board Observer will proceed to resolve the matter based on the Final Proposal provided by the other party.

(g) After considering the Final Proposal(s) submitted, the Advisor and the Board Observer must, within 2 business days of the Final Proposal(s) being submitted, select one of the following options:

(i) Decide that no change should be made to the 2004/2005 Plan;

(ii) Decide in favour of EESAI's Final Proposal, if submitted; or

(iii) Decide in favour of the Consultation Parties' Final Proposal, if submitted

The Advisor and Board Observer will select the option that is most consistent with the intent of the parties as reflected in the 2004/2005 Plan.

(h) If the Advisor and Board Observer both select either EESAI's or the Consultation Parties' Final Proposal, then the 2004/2005 Plan will be amended in accordance with that Final Proposal. If both the Advisor and the Board Observer both decide that no change should be made to the 2004/2005 Plan, then no changes will be made to the 2004/2005 Plan. If the Advisor and the Board Observer select different Final Proposals, then no change will be made to the 2004/2005 Plan.

(i) The decision of the Advisor and the Board Observer under Section 7.5(h) concerning the Proposed Changes to the 2004/2005 Plan is final and binding on both EESAI and the Consultation Parties and may not be appealed by either party to the AEUB.

(j) All of the material provided by a party and positions taken by a party throughout the Dispute Resolution Process are confidential and may not be disclosed by any other party without the written consent of that party.

(k) The Dispute Resolution Process may not be initiated once a Round has commenced. Unless the Representatives of EESAI and the Consultation Parties agree to proceed, no Rounds will be initiated while a Dispute Resolution Process is underway.

8. Costs

Costs incurred by EESAI and the Consultation Parties in relation to the Non-RCC 2004/2005 Plan including, costs related to any dispute resolution matter, whether before the AEUB or Board Observer and Advisor, and the costs of the Advisor and AEUB administration costs will be included in the energy costs for EESAI's RRT Transition Rate Non-RCC.

Schedule A
to the Non-Rate Classification Customer 2004 and 2005 Energy Price Setting Plan
dated November 19, 2003

DEFINITIONS

1. General Definitions

In the Non-Rate Classification Customer 2004 and 2005 Energy Price Setting Plan (Non-RCC **2004/2005 Plan**),

Advisor means an independent expert retained by EESAI to provide advice and assistance as provided in the Non-RCC 2004/2005 Plan;

AEUB means the Alberta Energy and Utilities Board;

Aquila Service Area means the service area of Aquila Networks Canada;

Board Observer means the individual designated by the AEUB to observe and assist as provided in the Non-RCC 2004/2005 Plan;

Certification of Compliance means, (i) in relation to a RFO Round, a certification that EESAI has carried out that RFO Round in compliance with the requirements of the Non-RCC 2004/2005 Plan, in the form of the Certification of Compliance attached as Schedule "E" to the Non-RCC 2004/2005 Plan, with such modifications as may be necessary to reflect the particular details of that RFO Round, and (ii) in relation to Inter-Round Procurement, a certification that EESAI has carried out the Inter-Round Procurement in compliance with the Non-RCC 2004/2005 Plan, in the form of the Certification of Compliance attached as Schedule "F" to the Non-RCC 2004/2005 Plan.

Consultation Parties means Alberta Association of Municipal Districts and Counties, Alberta Irrigation Projects Association, Alberta Urban Municipalities Association, Consumers Coalition of Alberta, Montana First Nation and the Public Institutional Consumers of Alberta;

EMC means EPCOR Merchant & Capital L.P.;

EUI means EPCOR Utilities Inc.;

Exchanges means (i) the online internet trading systems for electrical energy in Alberta operated by Alberta Watt Exchange Ltd., and (ii) NGX Canada Inc.;

Inter-Round Procurement means an Inter-Round process, administered by the Advisor, conducted in accordance with the Inter-Round Protocol;

Method means, the energy price setting method set out in the Non-RCC 2004/2005 Plan;

Monthly Product Schedule means, in relation to a Quarter, a schedule for the Quarter in the applicable form attached as Schedule "C" to the Non-RCC 2004/2005 Plan setting out, among other things, the Total RRT Transition Rate Volumes, Total RRT Transition Rate Target Volume, EESAI RRT Transition Rate Non-RCC Volumes and EESAI RRT Transition Rate Non-RCC Volume Percentage, the Forecast Peak Load Portion for EESAI's RRT Transition Rate Non-RCC for that Quarter, the NRCFPLP for each EESAI RRT Transition Rate Non-RCC for the Quarter and the forecast energy consumption at the customer meter for each EESAI RRT Transition Rate Non-RCC for the Quarter;

Protocol means the RFO Protocol;

Q1 means January, February and March of 2004 or 2005;

Q2 means April, May and June of 2004 or 2005;

Q3 means July, August and September of 2004 or 2005;

Q4 means October, November and December of 2004 or 2005;

Quarters means Q1, Q2, Q3 and Q4 and **Quarter** means any of Q1, Q2, Q3 or Q4;

RFO means, in relation to a Product, a request for an offer made by EESAI to a Qualified Supplier for supplies of that Product;

RFO Protocol means the Protocol for RFO Round attached as Schedule "D" to the 2004/2005 Plan;

RFO Round means a RFO process, administered by the Advisor, conducted in accordance with the RFO Protocol;

Round means a RFO Round;

RRT means a regulated rate tariff as contemplated under section 103 of the Electric Utilities Act S.A. 2003, c. E-5.1;

RRT Transition Rate means a regulated rate tariff for eligible customers approved by the AEUB under the section 103 of the Electric Utilities Act S.A. 2003, c. E-5.1;

RRT Transition Rate Customers means the customers of EESAI receiving RRT Transition Rate service,

Target Volume means, in relation to a Round, the amount of Product targeted to be acquired in that Round.

2. Product Definitions

In the 2004/ 2005 Plan,

Base Period means the period from 00:00 hours to 24:00 hours, Monday through Sunday inclusive;

Base Product means an agreement to supply power twenty-four hours a day, seven days a week and may include a Monthly Base Product and a One-Year Base Product;

Monthly Product means a Monthly Base Product, a Monthly Peak Product or a Monthly Off-Peak Product;

Monthly Base Product means a Base Product having a one-month term;

Monthly Off-Peak Product means a Monthly Off-Peak (7x8) Product, or a Monthly Super Off-Peak (7x18) Product having a one-month term

Monthly Off-Peak (7x8) Product means an Off-Peak (7x8) Product having a one-month term;

Monthly Super Off-Peak (7x18) Product means a Super Off-Peak (7x18) Product having a one-month term;

Monthly Peak Product means a Monthly Peak (7x16) Product, or a Monthly Super Peak (7x6) Product;

Monthly Peak (7x16) Product means a Peak (7x16) Product having a one-month term;

Monthly Super Peak (7x6) Product means a Super Peak (7x6) Product having a one-month term;

Off-Peak (7x8) Period means the period from 0:00 hours to 7:00 hours and from 23:00 hours to 0:00 hours, Monday through Sunday inclusive;

Off-Peak Periods means Off-Peak (7x8) Periods, Super Off-Peak (7x18) Periods and

Off-Peak Period means any of Off-Peak (7x8) Period, or Super Off-Peak (7x18) Period as the context may require.

Off-Peak Product means an agreement to supply power during an Off-Peak Period and may include a Monthly Off-Peak Product and/or a One-Year Off-Peak Product;

Off-Peak (7x8) Product means an agreement to supply power during a Peak (7x8) Period;

One-Year Product means a One-Year Base Product, a One-Year Peak Product or a One-Year Off-Peak Product;

One-Year Base Product means a Base Product having a one-year term;

One-Year Off-Peak Product means a One-Year Off-Peak (7x8) Product;

One-Year Off-Peak (7x8) Product means an Off-Peak (7x8) Product having a one-year term;

One-Year Peak Product means a One-Year Peak (7x16) Product;

One-Year Peak (7x16) Product means a Peak (7x16) Product having a one-year term;

Peak (7x16) Period means the period from 7:00 hours to 23:00 hours, Monday through Sunday inclusive;

Peak Periods means Peak (7x16) Periods, Super Peak (7x6) Periods and **Peak Period** means either of a Peak (7x16) Period, or Super Peak (7x6) Period as the context may require;

Peak Product means an agreement to supply power during a Peak Period and may include a Monthly Peak Product and/or a One-Year Peak Product;

Peak (7x16) Product means an agreement to supply power during a Peak (7x16) Period;

Product means a Base Product, a Peak Product or an Off-Peak Product;

Quarterly Base Product means a Base Product having a one Quarter term;

Quarterly Off-Peak Product means a Quarterly Off-Peak (7x8) Product;

Quarterly Off-Peak (7x8) Product means an Off-Peak (7x8) Product having a one-Quarter term;

Quarterly Product means a Quarterly Base Product, a Quarterly Peak Product, or a Quarterly Off-Peak Product;

Quarterly Peak Product means a Quarterly Peak (7x16) Product;

Quarterly Peak (7x16) Product means a Peak (7x16) Product having a one-Quarter term;

Quarterly Product means a Quarterly Base Product or a Quarterly Peak Product;

Shoulder Peak Period means a Peak Period excluding the Super Peak Period portion of the Peak Period;

Super Off-Peak (7x18) Period means the period from 0:00 hours to 16:00 hours and 22:00 hours to 0:00 hours, Monday through Sunday inclusive;

Super Off-Peak (7x18) Product means an agreement to supply power during a Super Off-Peak (7x18) Period;

Super Peak (7x6) Period means the period from 16:00 hours to 22:00 hours, Monday through Sunday inclusive, including holidays.

Super Peak (7x6) Product means an agreement to supply power during a Super Peak (7x6) Period;

3. Price, Volume and Portfolio Definitions

In the Non-RCC 2004/2005 Plan,

Base Energy Portfolio Price means, for a Quarter, the average price (weighted by volume) of the Base Products in the Energy Product Portfolio for that period, expressed in $/MWh;

EESAI RRT Transition Rate Classification has the meaning given to that term in the EESAI RRT Transition Rate Price Schedule.

EESAI RRT Transition Rate Non-RCC Volumes means (i) in relation to One-Year Products for a year, EESAI's reasonable forecast of the total volume of One-Year Base Products and One-Year Peak Products required (with separate procurement) for its RRT Transition Rate Non-RCC in the Aquila Service Area as set out in Table 1 of Schedule "B" to the Non-RCC 2004/2005 Plan and (ii) in relation to Monthly Products, EESAI's reasonable forecast of the volume of Monthly Base Products and Monthly Peak Products required (with separate procurement) for its RRT Transition Rate Non-RCC in the EDO Service Area for a month, as set out in the Monthly Product Schedule for the Quarter in which that month occurs.

EESAI RRT Transition Rate Non-RCC Volume Percentage means (i) in relation to One-Year Products for a year, EESAI's reasonable forecast of the total volume of One-Year Base Products and One-Year Peak Products required (with separate procurement) for its RRT Transition Rate Non-RCC in the Aquila Service Area relative to the total volume of One-Year Base Products and One-Year Peak Products required (with separate procurement) for RRT Transition Rate Non-RCC as set out in Table 1 of Schedule "B" to the Non-RCC 2004/2005 Plan and (ii) in relation to Monthly Products, EESAI's reasonable forecast of the volume of Monthly Base Products and Monthly Peak Products required (with separate procurement) for its RRT Transition Rate Non-RCC in the Aquila Service Area for a month relative to the total volume of Monthly Base Products and Monthly Peak Products required (with separate procurement) for RRT Transition Rate Non-RCC as set out in the Monthly Product Schedule for the Quarter in which that month occurs.

Energy Portfolio Prices means, for a Quarter, the Base Energy Portfolio Price, the Off Peak Energy Portfolio Price and the Peak Energy Portfolio Price for that period;

Energy Product Portfolio means, at a point in time, the portfolio of Base Products and Peak Products that have then been acquired or deemed to have been acquired for the Energy Product Portfolio pursuant to the 2001 Plan, and the Non-RCC 2004/2005 Plan and the terms of which have not expired at that time;

Forecast Price means, in relation to a Monthly Product for the second or third month of a Quarter:

(i) the price of an offer (if any) or, if there are more than one, the simple average of the prices of offers for volumes of at least 5MW of the energy product corresponding to the Monthly Product recorded, during the last Round conducted to acquire the Monthly Product for the first month of the Quarter, from the Exchange Screens (as defined in the applicable Protocol) at the time the indicative Heat Rate is being determined under Step 2 of the RFO Round Protocol; or

(ii) if the price referred to in (i) of this definition is not available, the last transacted price (if any) or, it there is more than one, the simple average of the last transacted prices for volumes of at least 5MW of the energy product corresponding to the Monthly Product obtained from the Exchanges (as defined in the applicable Protocol) at the time referred to in (i) of this definition; or

(iii) if prices referred to in (i) and (ii) of this definition are not available and the Quarter is:

    (A) the first, second or third Quarter, EESAI will propose a price for the Monthly Product to the representatives of the Consultation Parties and they will work diligently and in good faith to agree on the price and the Forecast Price for the Monthly Product will be the agreed price or, failing agreement within two business days, the actual price for the Monthly Product acquired for the first month of the Quarter; or

(B) the fourth Quarter, the Forecast Price for the Monthly Product will be the Proposed Monthly Product Price or, when available, the Monthly Product Price established as provided below in this definition.

If (iii)(B) of this definition applies, EESAI will propose a price for the Monthly Product (**Proposed Monthly Product Price**) to the representatives of the Consultation Parties. If the representatives of the Consultation Parties do not agree with the Proposed Monthly Product Price, the parties will work diligently and in good faith with each other and the Advisor to reach agreement. Either EESAI or the representatives of the Consultation Parties may at any time invoke the Dispute Resolution Process under Section 7.5 of the 2004/ 2005 Plan by providing a Dispute Notice to the other party. The price agreed on by EESAI and the Consultation Parties or determined pursuant to the Dispute Resolution Process (**Monthly Product Price**) will be the Forecast Price for the Monthly Product. Pending agreement or determination of the Monthly Product Price, the Proposed Monthly Product Price will be used for the purposes of the Section 5 of the Energy Price Setting Plan.

Forecast Peak Load Portion (FPLP) means, in relation to a Quarter, the value set out in Table 1d of the Monthly Product Schedule for that Quarter.

Off-Peak Energy Portfolio Cost means, for a period, the amount determined by subtracting the Peak Energy Portfolio Cost from the Total Energy Portfolio Cost for that period.

Off-Peak Energy Portfolio Price means, for a Quarter, the amount determined as follows:

$$OPEPP = OPEPC/[TEPV \times (1 - FPLP)]$$

where:

OPEPP is the Off-Peak Energy Portfolio Price for that Quarter, expressed in $/MWh;

OPEPC is the Off-Peak Energy Portfolio Cost for that Quarter;

TEPV is the Total Energy Portfolio Volume for that Quarter;

FPLP is the Forecast Peak Load Portion for that Quarter;

Non-Rate Classification Forecast Peak Load Portion (NRCFPLP) means, in relation to an EESAI RRT Transition Rate Non-RCC Customer for a Quarter, the value for that EESAI RRT Transition Rate Non-RCC Customer set out in Table 1e of the Monthly Product Schedule for that Quarter.

Peak Energy Portfolio Cost means, for a Quarter, the amount determined as follows:

PEPC = TEPV x FPLP x PEPP

where:

PEPC is the Peak Energy Portfolio Cost for that Quarter, expressed in $/MWh;

TEPV is the Total Energy Portfolio Volume for that Quarter;

FPLP is the Forecast Peak Load Portion for that Quarter;

PEPP is the Peak Energy Portfolio Price for that Quarter;

Peak Energy Portfolio Price means, in the case of Q1, the Peak Energy Portfolio Price (Unadjusted) for that Quarter and in the case of each of the other Quarters, the Peak Energy Portfolio Price (Unadjusted) plus the Peak Energy Portfolio Price Adjustment for that Quarter if it is a positive amount or minus the Peak Energy Portfolio Price Adjustment for that Quarter if it is a negative amount;

Peak Energy Portfolio Price (Unadjusted) means, for a Quarter, the price for Peak Products included in the Energy Product for that Quarter which will be equal to the quotient of:

(a) the sum of:

- (i) YP(7x16)PMW_{y} x QP(7x16)PH_{Q} x YP(7x16)PP_{y};
- (ii) MP(7x16)$\mathrm{PMW}_{m1\text{-}for}$ x MP(7x16)PH_{m1} x MP(7x16)$\mathrm{PP}_{m1\text{-}act}$;
- (iii) MP(7x16)$\mathrm{PMW}_{m2\text{-}for}$ x MP(7x16)PH_{m2} x MP(7x16)$\mathrm{PP}_{m2\text{-}for}$;
- (iv) MP(7x16)$\mathrm{PMW}_{m3\text{-}for}$ x MP(7x16)PH_{m3} x MP(7x16)$\mathrm{PP}_{m3\text{-}for}$;
- (v) MSP(7x6)$\mathrm{PMW}_{m1\text{-}for}$ x MSP(7x6)PH_{m1} x MSP(7x6)$\mathrm{PP}_{m1\text{-}act}$;
- (vi) MSP(7x6)$\mathrm{PMW}_{m2\text{-}for}$ x MSP(7x6)PH_{m2} x MSP(7x6)$\mathrm{PP}_{m2\text{-}for}$;
- (vii) MSP(7x6)$\mathrm{PMW}_{m3\text{-}for}$ x MSP(7x6)PH_{m3} x MSP(7x6)$\mathrm{PP}_{m3\text{-}for}$; and
- (viii) QP(7x16)PMWq x QP(7x16)PH_{Q} x QP(7x16)PP_{Q};

divided by;

(b) the sum of:

(i) $YP(7x16)PMW_y$ x $QP(7x16)PH_Q$;

(ii) $MP(7x16)PMW_{m1\text{-}for}$ x $MP(7x16)PH_{m1}$;

(iii) $MP(7x16)PMW_{m2\text{-}for}$ x $MP(7x16)PH_{m2}$;

(iv) $MP(7x16)PMW_{m3\text{-}for}$ x $MP(7x16)PH_{m3}$;

(v) $MSP(7x6)PMW_{m1\text{-}for}$ x $MSP(7x6)PH_{m1}$;

(vi) $MSP(7x6)PMW_{m2\text{-}for}$ x $MSP(7x6)PH_{m2}$;

(vii) $MSP(7x6)PMW_{m3\text{-}for}$ x $MSP(7x6)PH_{m3}$; and,

(viii) $QP(7x16)PMW_Q$ x $QP(7x16)PH_Q$;

where:

$YP(7x16)PMW_y$ is the total capacity of One-Year Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004or 2005

$QP(7x16)PH_Q$ is the total number of hours in Peak (7x16) Periods that occur in that Quarter;

$YP(7x16)PP_y$ is the average (weighted by capacity acquired) of the prices of the One Year Peak (7x16) Products acquired for the Energy Product Portfolio for 2004 or 2005;

$MP(7x16)PMW_{m1\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MP(7x16)PH_{m1}$ is the total number of hours in Peak (7x16) Periods that occur in the first month of that Quarter;

$MP(7x16)PP_{m1\text{-}act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Peak (7x16) Products acquired for the Energy Product Portfolio for the first month of that Quarter;

$MP(7x16)PMW_{m2\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$\mathbf{MP(7x16)PH_{m2}}$ is the total number of hours in Peak (7x16) Periods that occur in the second month of that Quarter;

$\mathbf{MP(7x16)PP_{m2\text{-}for}}$ is the Forecast Price of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$\mathbf{MP(7x16)PMW_{m3\text{-}for}}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$\mathbf{MP(7x16)PH_{m3}}$ is the total number of hours in Peak (7x16) Periods that occur in the third month of that Quarter;

$\mathbf{MP(7x16)PP_{m3\text{-}for}}$ is the Forecast Price of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$\mathbf{MSP(7x6)PMW_{m1\text{-}for}}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$\mathbf{MSP(7x6)PH_{m1}}$ is the total number of hours in Super Peak (7x6) Periods that occur in the first month of that Quarter;

$\mathbf{MSP(7x6)PP_{m1\text{-}act}}$ is the average price (weighted by capacity purchased) of the Monthly Super Peak (7x6) Products acquired for the Energy Product Portfolio for the first month of that Quarter;

$\mathbf{MSP(7x6)PMW_{m2\text{-}for}}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$\mathbf{MSP(7x6)PH_{m2}}$ is the total number of hours in Super Peak (7x6) Periods that occur in the second month of that Quarter;

$\mathbf{MSP(7x6)PP_{m2\text{-}for}}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$\mathbf{MSP(7x6)PMW_{m3\text{-}for}}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$\mathbf{MSP(7x6)PH_{m3}}$ is the total number of hours in Super Peak (7x6) Periods that occur in the third month of that Quarter;

$MSP(7x6)PP_{m3\text{-}for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$QP(7x16)PMW_Q$ is the total capacity of Quarterly Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for that Quarter;

$QP(7x16)PP_Q$ is the average (weighted by capacity acquired) of the prices of the Quarterly Peak (7x16) Products acquired for the Energy Product Portfolio for that Quarter;

Peak Energy Portfolio Price Adjustment means, for a Quarter, the positive or negative adjustment to the Peak Energy Portfolio Price (Unadjusted) for that Quarter for the actual prices of Monthly Peak Products acquired for the Energy Product Portfolio for the second and third months of the immediately preceding Quarter which will be a positive or negative amount equal to the quotient of:

(a) the sum of:

- (i) $MP(7x16)PMW_{m2(Q-1)\text{-}for}$ x $MP(7x16)PH_{m2(Q-1)}$ x $(MP(7x16)PP_{m2(Q-1)\text{-}act} - MP(7x16)PP_{m2(Q-1)\text{-}for})$;
- (ii) $MP(7x16)PMW_{m3(Q-1)\text{-}for}$ x $MP(7x16)PH_{m3(Q-1)}$ x $(MP(7x16)PP_{m3(Q-1)\text{-}act} - MP(7x16)PP_{m3(Q-1)\text{-}for})$;
- (iii) $MSP(7x6)PMW_{m2(Q-1)\text{-}for}$ x $MSP(7x6)PH_{m2(Q-1)}$ x $(MSP(7x6)PP_{m2(Q-1)\text{-}act} - MSP(7x6)PP_{m2(Q-1)\text{-}for})$
- (iv) $MSP(7x6)PMW_{m3(Q-1)\text{-}for}$ x $MSP(7x6)PH_{m3(Q-1)}$ x $(MSP(7x6)PP_{m3(Q-1)\text{-}act} - MSP(7x6)PP_{m3(Q-1)\text{-}for})$;

divided by;

(b) the sum of:

- (i) $YP(7x16)PMW_y$ x $QP(7x16)PH_Q$;
- (ii) $MP(7x16)PMW_{m1\text{-}for}$ x $MP(7x16)PH_{m1}$;
- (iii) $MP(7x16)PMW_{m2\text{-}for}$ x $MP(7x16)PH_{m2}$;
- (iv) $MP(7x16)PMW_{m3\text{-}for}$ x $MP(7x16)PH_{m3}$;
- (v) $MSP(7x6)PMW_{m1\text{-}for}$ x $MSP(7x6)PH_{m1}$;

(vi) $MSP(7x6)PMW_{m2\text{-}for}$ x $MSP(7x6)PH_{m2}$;

(vii) $MSP(7x6)PMW_{m3\text{-}for}$ x $MSP(7x6)PH_{m3}$;

(viii) $QP(7x16)PMW_Q$ x $QP(7x16)PH_Q$;

where:

$YP(7x16)PMW_y$ is the total capacity of One-Year Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004 and 2005;

$QP(7x16)PH_Q$ is the total number of hours in Peak (7x16) Periods that occur in the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

$MP(7x16)PMW_{m2(Q-1)\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MP(7x16)PH_{m2(Q-1)}$ is the total number of hours in Peak (7x16) Periods that occur in the second month of the immediately preceding Quarter;

$MP(7x16)PP_{m2(Q-1)\text{-}act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MP(7x16)PP_{m2(Q-1)\text{-}for}$ is the Forecast Price of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MP(7x16)PMW_{m3(Q-1)\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MP(7x16)PH_{m3(Q-1)}$ is the total number of hours in Peak (7x16) Periods that occur in the third month of the immediately preceding Quarter;

$MP(7x16)PP_{m3(Q-1)\text{-}act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Peak (7x16) Products acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MP(7x16)PP_{m3(Q-1)-for}$ is the Forecast Price of the Monthly Peak (6x16) Products to be acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MSP(7x6)PH_{Q}$ is the total number of hours in Super Peak (7x6) Periods that occur in the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

$MSP(7x6)PMW_{m2(Q-1)-for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MSP(7x6)PH_{m2(Q-1)}$ is the total number of hours in Super Peak (7x6) Periods that occur in the second month of the immediately preceding Quarter;

$MSP(7x6)PP_{m2(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Super Peak (7x6) Products acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MSP(7x6)PP_{m2(Q-1)-for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MSP(7x6)PMW_{m3(Q-1)-for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding month to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MSP(7x6)PH_{m3(Q-1)}$ is the total number of hours in Super Peak (7x6) Periods that occur in the third month of the immediately preceding Quarter;

$MSP(7x6)PP_{m3(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Super Peak (7x6) Products acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MSP(7x6)PP_{m3(Q-1)-for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MP(7x16)PMW_{m1-for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MP(7x16)PH_{m1}$ is the total number of hours in Peak (7x16) Periods that occur in the first month of the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

$MP(7x16)PMW_{m2\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MP(7x16)PH_{m2}$ is the total number of hours in Peak (7x16) Periods that occur in the second month of the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

$MP(7x16)PMW_{m3\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Forecast for the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MP(7x16)PH_{m3}$ is the total number of hours in Peak (7x16) Periods that occur in the third month of the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

$QP(7x16)PMW_{y}$ is the total capacity of Quarterly Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

Product Ratio means an agreed upon ratio of Peak Product or Super Peak Product to Base Product as determined in accordance with Schedule B or C for an RFO Round, that if exceeded, the representatives of the Consultation Parties will have an option to purchase the next Product closest to (or including) Base Product (i.e. Peak Product as a replacement for Super Peak Product or Base Product as a replacement for Peak Product).

Threshold Price means an agreed upon price, as determined in either Schedule B or C (as applicable), that if exceeded, the representatives of the Consultation Parties will have an option of requesting that EESAI not purchase the required Product volumes in an RFO Round.

Total Energy Portfolio Cost (Unadjusted) means, for a Quarter, the amount equal to the sum of:

(i) $YBPMW_{y} \times QBPH_{Q} \times YBPP_{y}$;

(ii) $MBPMW_{m1\text{-}for} \times MBPH_{m1} \times MBPP_{m1\text{-}act}$;

(iii) $MBPMW_{m2\text{-}for} \times MBPH_{m2} \times MBPP_{m2\text{-}for}$;

(iv) $MBPMW_{m3\text{-}for}$ x $MBPH_{m3}$ x $MBPP_{m3\text{-}for}$;

(v) $YP(7x16)PMW_{y}$ x $QP(7x16)PH_{Q}$ x $YP(7x16)PP_{y}$;

(vi) $MP(7x16)PMW_{m1\text{-}for}$ x $MP(7x16)PH_{m1}$ x $MP(7x16)PP_{m1\text{-}act}$;

(vii) $MP(7x16)PMW_{m2\text{-}for}$ x $MP(7x16)PH_{m2}$ x $MP(7x16)PP_{m2\text{-}for}$;

(viii) $MP(7x16)PMW_{m3\text{-}for}$ x $MP(7x16)PH_{m3}$ x $MP(7x16)PP_{m3\text{-}for}$;

(ix) $MSP(7x6)PMW_{m1\text{-}for}$ x $MSP(7x6)PH_{m1}$ x $MSP(7x6)PP_{m1\text{-}act}$;

(x) $MSP(7x6)PMW_{m2\text{-}for}$ x $MSP(7x6)PH_{m2}$ x $MSP(7x6)PP_{m2\text{-}for}$;

(xi) $MSP(7x6)PMW_{m3\text{-}for}$ x $MSP(7x6)PH_{m3}$ x $MSP(7x6)PP_{m3\text{-}for}$;

(xii) $QBPMW_{Q}$ x $QBPH_{Q}$ x $QBPP_{Q}$; and

(xiii) $QP(7x16)PMW_{Q}$ x $QP(7x16)PH_{Q}$ x $QP(7x16)PP_{Q}$;

where:

$YBPMW_{y}$ is the total capacity of One-Year Base Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004 or 2005;

$QBPH_{Q}$ is the total number of hours in Base Periods that occur in that Quarter;

$YBPP_{y}$ is the average (weighted by capacity acquired) of the prices of the One Year Base Products acquired for the Energy Product Portfolio for 2004 or 2005;

$MBPMW_{m1\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MBPH_{m1}$ is the total number of hours in Base Periods that occur in the first month of that Quarter;

$MBPP_{m1\text{-}act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Base Products acquired for the Energy Product Portfolio for the first month of that Quarter;

$MBPMW_{m2\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

MBPH $_{m2}$ is the total number of hours in Base Periods that occur in the second month of that Quarter;

MBPP$_{m2\text{-}for}$ is the Forecast Price of the Monthly Base Products to be acquired for the Energy Product Portfolio for the second month of that Quarter;

MBPMW$_{m3\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

MBPH $_{m3}$ is the total number of hours in Base Periods that occur in the third month of that Quarter;

MBPP$_{m3\text{-}for}$ is the Forecast Price of the Monthly Base Products to be acquired for the Energy Product Portfolio for the third month of that Quarter;

YP(7x16)PMW$_{y}$ is the total capacity of One-Year Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004or 2005;

QP(7x16)PH$_{Q}$ is the total number of hours in Peak (7x16) Periods that occur in that Quarter;

YP(7x16)PP$_{y}$ is the average (weighted by capacity acquired) of the prices of the One Year Peak (7x16) Products acquired for the Energy Product Portfolio for 2004 or 2005;

MP(7x16)PMW$_{m1\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule to that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

MP(7x16)PH$_{m1}$ is the total number of hours in Peak (7x16) Periods that occur in the first month of that Quarter;

MP(7x16)PP$_{m1\text{-}act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Peak (7x16) Products acquired for the Energy Product Portfolio for the first month of that Quarter;

MP(7x16)PMW$_{m2\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

MP(7x16)PH$_{m2}$ is the total number of hours in Peak (7x16) Periods that occur in the second month of that Quarter;

$MP(7x16)PP_{m2\text{-}for}$ is the Forecast Price of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MP(7x16)PMW_{m3\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MP(7x16)PH_{m3}$ is the total number of hours in Peak (7x16) Periods that occur in the third month of that Quarter;

$MP(7x16)PP_{m3\text{-}for}$ is the Forecast Price of the Monthly Peak (6x16) Products to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MSP(7x6)PMW_{m1\text{-}for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MSP(7x6)PH_{m1}$ is the total number of hours in Super Peak (7x6) Periods that occur in the first month of that Quarter;

$MSP(7x6)PP_{m1\text{-}act}$ is the average price (weighted by capacity purchased) of the Monthly Super Peak (7x6) Products acquired for the Energy Product Portfolio for the first month of that Quarter;

$MSP(7x6)PMW_{m2\text{-}for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio I for the second month of that Quarter;

$MSP(7x6)PH_{m2}$ is the total number of hours in Super Peak (7x6) Periods that occur in the second month of that Quarter;

$MSP(7x6)PP_{m2\text{-}for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MSP(7x6)PMW_{m3\text{-}for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MSP(7x6)PH_{m3}$ is the total number of hours in Super Peak (7x6) Periods that occur in the third month of that Quarter;

$MSP(7x6)PP_{m3\text{-}for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$QBPMW_Q$ is the total capacity of Quarterly Base Products, expressed in MWs, acquired for the Energy Product Portfolio for that Quarter;

$QP(7x16)PMW_Q$ is the total capacity of Quarterly Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for that Quarter;

$QP(7x16)PP_Q$ is the average (weighted by capacity acquired) of the prices of the Quarterly Peak (7x16) Products acquired for the Energy Product Portfolio for that Quarter;

Total Energy Portfolio Cost Adjustment means, for a Quarter, the positive or negative adjustment to the Total Energy Portfolio Cost (Unadjusted) for that Quarter for the actual prices of Monthly Products acquired for the Energy Product Portfolio for the second and third months of the immediately preceding Quarter which will be a positive or negative amount equal to the sum of:

(i) $MBPMW_{m2(Q-1)\text{-}for} \times MBPH_{m2(Q-1)} \times (MBPP_{m2(Q-1)\text{-}act} - MBPP_{m2(Q-1)\text{-}for})$;

(ii) $MBPMW_{m3(Q-1)\text{-}for} \times MBPH_{m3(Q-1)} \times (MBPP_{m3(Q-1)\text{-}act} - MBPP_{m3(Q-1)\text{-}for})$;

(iii) $MP(7x16)PMW_{m2(Q-1)\text{-}for} \times MP(7x16)PH_{m2(Q-1)} \times (MP(7x16)PP_{m2(Q-1)\text{-}act} - MP(7x16)PP_{m2(Q-1)\text{-}for})$;

(iv) $MP(7x16)PMW_{m3(Q-1)\text{-}for} \times MP(7x16)PH_{m3(Q-1)} \times (MP(7x16)PP_{m3(Q-1)\text{-}act} - MP(7x16)PP_{m3(Q-1)\text{-}for})$;

(v) $MSP(7x6)PMW_{m2(Q-1)\text{-}for} \times MSP(7x6)PH_{m2(Q-1)} \times (MSP(7x6)PP_{m2(Q-1)\text{-}act} - MSP(7x6)PP_{m2(Q-1)\text{-}for})$

(vi) $MSP(7x6)PMW_{m3(Q-1)\text{-}for} \times MSP(7x6)PH_{m3(Q-1)} \times (MSP(7x6)PP_{m3(Q-1)\text{-}act} - MSP(7x6)PP_{m3(Q-1)\text{-}for})$;

where:

$MBPMW_{m2(Q-1)\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Forecast for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the second month in that Quarter;

$MBPH_{m2(Q-1)}$ is the total number of hours in Base Periods that occur in the second month of the immediately preceding Quarter;

$MBPP_{m2(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Base Products acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MBPP_{m2(Q-1)-for}$ is the Forecast Price of the Monthly Base Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MBPMW_{m3(Q-1)-for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MBPH_{m3(Q-1)}$ is the total number of hours in Base Periods that occur in the third month of the immediately preceding Quarter;

$MBPP_{m3(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Base Products acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MBPP_{m3(Q-1)-for}$ is the Forecast Price of the Monthly Base Products to be acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MP(7x16)PMW_{m2(Q-1)-for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MP(7x16)PH_{m2(Q-1)}$ is the total number of hours in Peak (7x16) Periods that occur in the second month of the immediately preceding Quarter;

$MP(7x16)PP_{m2(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MP(7x16)PP_{m2(Q-1)-for}$ is the Forecast Price of the Monthly Peak (7x16) Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MP(7x16)PMW_{m3(Q-1)-for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MP(7x16)PH_{m3(Q-1)}$ is the total number of hours in Peak (7x16) Periods that occur in the third month of the immediately preceding Quarter;

$MP(7x16)PP_{m3(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Peak (6x16) Products acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MP(7x16)PP_{m3(Q-1)-for}$ is the Forecast Price of the Monthly Peak (6x16) Products to be acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MSP(7x6)PMW_y$ is the total capacity of One-Year Super Peak (7x6) Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004/ 2005

$MSP(7x6)PH_Q$ is the total number of hours in Super Peak (7x6) Periods that occur in the Quarter for which the Peak Energy Portfolio Price Adjustment is being determined;

$MSP(7x6)PMW_{m2(Q-1)-for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MSP(7x6)PH_{m2(Q-1)}$ is the total number of hours in Super Peak (7x6) Periods that occur in the second month of the immediately preceding Quarter;

$MSP(7x6)PP_{m2(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Super Peak (7x6) Products acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MSP(7x6)PP_{m2(Q-1)-for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the second month of the immediately preceding Quarter;

$MSP(7x6)PMW_{m3(Q-1)-for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for the immediately preceding month to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MSP(7x6)PH_{m3(Q-1)}$ is the total number of hours in Super Peak (7x6) Periods that occur in the third month of the immediately preceding Quarter;

$MSP(7x6)PP_{m3(Q-1)-act}$ is the average (weighted by capacity acquired) of the prices of the Monthly Super Peak (7x6) Products acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

$MSP(7x6)PP_{m3(Q-1)-for}$ is the Forecast Price of the Monthly Super Peak (7x6) Products to be acquired for the Energy Product Portfolio for the third month of the immediately preceding Quarter;

Total Energy Portfolio Price means, for a Quarter, the average price (weighted by volume) of the Products in the Energy Product Portfolio for that period, expressed in $/MWh;

Total Energy Portfolio Volume means, for a Quarter, the total volume of Products in the Energy Product Portfolio for that Quarter which will be equal to the sum of:

(i) $YBPMW_y$ x $QBPH_Q$;

(ii) $MBPMW_{m1-for}$ x $MBPH_{m1}$;

(iii) $MBPMW_{m2-for}$ x $MBPH_{m2}$;

(iv) $MBPMW_{m3-for}$ x $MBPH_{m3}$;

(v) $YP(7x16)PMW_y$ x $QP(7x16)PH_Q$;

(vi) $MP(7x16)PMW_{m1-for}$ x $MP(7x16)PH_{m1}$;

(vii) $MP(7x16)PMW_{m2-for}$ x $MP(7x16)PH_{m2}$;

(viii) $MP(7x16)PMW_{m3-for}$ x $MP(7x16)PH_{m3}$;

(ix) $MSP(7x6)PMW_{m1-for}$ x $MSP(7x6)PH_{m1}$;

(x) $MSP(7x6)PMW_{m2-for}$ x $MSP(7x6)PH_{m2}$;

(xi) $MSP(7x6)PMW_{m3-for}$ x $MSP(7x6)PH_{m3}$;

(xii) $QBPMW_Q$ x $QBPH_Q$; and

(xiii) $QP(7x16)PMW_Q$ x $QP(7x16)PH_Q$;

where:

$YBPMW_y$ is the total capacity of One-Year Base Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004 or 2005;

$QBPH_Q$ is the total number of hours in Base Periods that occur in that Quarter;

$MBPMW_{m1\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MBPH_{m1}$ is the total number of hours in Base Periods that occur in the first month of that Quarter;

$MBPMW_{m2\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MBPH_{m2}$ is the total number of hours in Base Periods that occur in the second month of that Quarter;

$MBPMW_{m3\text{-}for}$ is the total capacity of Monthly Base Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MBPH_{m3}$ is the total number of hours in Base Periods that occur in the third month of that Quarter;

$YP(7x16)PMW_y$ is the total capacity of One-Year Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for 2004/ 2005;

$QP(7x16)PH_Q$ is the total number of hours in Peak (7x16) Periods that occur in that Quarter;

$MP(7x16)PMW_{m1\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule to that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MP(7x16)PH_{m1}$ is the total number of hours in Peak (7x16) Periods that occur in the first month of that Quarter;

$MP(7x16)PMW_{m2\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the second month of that Quarter;

$MP(7x16)PH_{m2}$ is the total number of hours in Peak (7x16) Periods that occur in the second month of that Quarter;

$MP(7x16)PMW_{m3\text{-}for}$ is the total capacity of Monthly Peak (7x16) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MP(7x16)PH_{m3}$ is the total number of hours in Peak (7x16) Periods that occur in the third month of that Quarter;

$MSP(7x6)PMW_{m1\text{-}for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the first month of that Quarter;

$MSP(7x6)PH_{m1}$ is the total number of hours in Super Peak (7x6) Periods that occur in the first month of that Quarter;

$MSP(7x6)PMW_{m2\text{-}for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio I for the second month of that Quarter;

$MSP(7x6)PH_{m2}$ is the total number of hours in Super Peak (7x6) Periods that occur in the second month of that Quarter;

$MSP(7x6)PMW_{m3\text{-}for}$ is the total capacity of Monthly Super Peak (7x6) Products, expressed in MWs, forecast in the Monthly Product Schedule for that Quarter to be acquired for the Energy Product Portfolio for the third month of that Quarter;

$MSP(7x6)PH_{m3}$ is the total number of hours in Super Peak (7x6) Periods that occur in the third month of that Quarter;

$QBPMW_Q$ is the total capacity of Quarterly Base Products, expressed in MWs, acquired for the Energy Product Portfolio for that Quarter;

$QP(7x16)PMW_Q$ is the total capacity of Quarterly Peak (7x16) Products, expressed in MWs, acquired for the Energy Product Portfolio for that Quarter;

Total RRT Transition Rate Target Volumes means (i) in relation to One-Year Products for a year, EESAI's reasonable forecast of the total volume of One-Year Base Products and One-Year Peak Products required (with joint procurement) for the RRT Transition Rate Customers as set out in either Table 1 or Table 2 of Schedule "B" to the Non-RCC 2004/2005 Plan and (ii) in relation to Monthly Products, EESAI's reasonable forecast of the volume of Monthly Base Products and Monthly Peak Products required (with joint procurement) for the RRT Transition Rate Customers for a month, as set out in the Monthly Product Schedule for the Quarter in which that month occurs.

Total RRT Transition Rate Volumes means (i) in relation to One-Year Products for a year, EESAI's reasonable forecast of the total volume of One-Year Base Products and One-Year Peak Products required (with separate procurement) for the RRT Transition Rate Customers as set out in either Table 1 or Table 2 of Schedule "B" to the Non-RCC 2004/2005 Plan and (ii) in relation to Monthly Products, EESAI's reasonable forecast of the volume of Monthly Base Products and Monthly Peak Products required (with separate procurement) for the RRT Transition Rate Customers for a month, as set out in the Monthly Product Schedule for the Quarter in which that month occurs.

Schedule B

to the Non-Rate Classification Customer 2004 and 2005 Energy Price Setting Plan
dated November 19, 2003

COMPOSITION OF TARGET ENERGY PORTFOLIO – ONE-YEAR PRODUCTS

The contents of this Schedule constitute Commercially Sensitive Information and therefore are excluded from any public filing with the AEUB.

Schedule C

to the Non-Rate Classification Customer 2004 and 2005 Energy Price Setting Plan
dated November 19, 2003

FORMS OF MONTHLY PRODUCT SCHEDULES

The contents of this Schedule constitute Commercially Sensitive Information and therefore are excluded from any public filing with the AEUB.

Schedule D

to the Non-Rate Classification Customer 2004 and 2005 Energy Price Setting Plan
dated November 19, 2003

PROTOCOL FOR RFO ROUND

The contents of this Schedule constitute Commercially Sensitive Information and therefore are excluded from any public filing with the AEUB.

Schedule E

to the Non-Rate Classification Customer 2004 and 2005 Energy Price Setting Plan
dated November 19, 2003

CERTIFICATION OF COMPLIANCE – RFO ROUND

The contents of this Schedule constitute Commercially Sensitive Information and therefore are excluded from any public filing with the AEUB.

Schedule F

to the 2004 and 2005 Energy Price Setting Plan
dated November 19, 2003

CERTIFICATION OF COMPLIANCE – INTER-SESSION ROUND

The contents of this Schedule constitute Commercially Sensitive Information and therefore are excluded from any public filing with the AEUB.

Attachment "3"

to the EESAI Letter to the AEUB
dated November 19, 2003

ENERGY CHARGE SCHEDULE APPLICABLE FOR 2004/2005 – NON-RATE CLASSIFICATION CUSTOMERS

The Average Energy Charge (**AEC**) applicable to each EESAI Regulated Rate Tariff Transition Rate – Non-Rate Classification Customer (Non-RCC) Classification - for each Quarter in 2004 and 2005 will be determined as follows:

AEC = [(Peak Energy Portfolio Price x NRCFPLP + Off Peak Energy Portfolio Price x (1 - NRCFPLP)) x CC x HC x LF + PTC] x (1 + RM)

where:

"Peak Energy Portfolio Price" is the Peak Energy Portfolio Price for that Quarter, expressed in $/MWh, determined in accordance with the Non-RCC 2004/2005 Energy Price Setting Plan (Non-RCC 2004/2005 Plan).

"NRCFPLP" is the EESAI RRT Non-Rate Classification Customer Forecast Peak Load Portion, as defined in Schedule "A" to the 2004/2005 Energy Price Setting Plan, for that Rate Classification for that Quarter.

"Off Peak Energy Portfolio Price" is the Off Peak Energy Portfolio Price for that Quarter, expressed in $/MWh, determined in accordance with the Non-RCC 2004/2005 Plan.

"CC" is a factor of 1.0042 on account credit cost.

"LF" is the current Aggregate Line Loss Factor (including Unaccounted for Energy) which is applicable to the EESAI's RRT Non-RCC for which the AEC is being determined for 2004 and 2005.

EESAI RRT Non-RCC	Line Loss Factor
Small Commercial	1.0556
Oil and Gas	1.0769
Lighting	1.0753

"HC" is a factor of 1.0015 on account of hedging cost.

"PTC" is a flow through of the Alberta Power Pool trading charge, currently set at $0.136/MWh.

"RM" is the Return Margin for that Quarter determined as follows:

(a) if the pre-RM Average Energy Rate is less than or equal to $75/MWh, then:

RM = .0375; or

(b) if the pre-RM Average Energy Rate is greater than $75/MWh, then:

RM = [.0375 x 75 + .005 x (pre-RM Average Energy Rate - 75)] / pre-RM Average Energy Rate

where:

pre-RM Average Energy Rate equals (Peak Energy Portfolio Price x NRCFPLP + Off Peak Energy Portfolio Price x (1 - NRCFPLP)) x CC x HC x LF + PTC

To the extent that all or a portion of the Super Peak (7x6) Product is acquired through the Power Pool, the return margin applied for the relevant Quarter would be adjusted in accordance with the following formula:

$$ARM_q = (ARM_1 \text{ X } TEPV_1 \div TEPV_q) + (ARM_2 \text{ x } TEPV_2 \div TEPV_q) + (ARM_3 \text{ x } TEPV_3 \div TEPV_q)$$

where

ARM_q is the Adjusted Return Margin for the purposes of the Energy Charge Schedule for a Quarter.

ARM_1 is the Adjusted Return Margin for the first month of the Quarter based on the following formula:

$$ARM_1 = \{1 - [(PPV_1 \text{ x } PPVP_1 \text{ x } 0.75) \div (TEPP_1 \text{ x } TEPV_1)]\} \text{ x } 3.75\%$$

where

PPV_1 is the Pool Price Volume which is based on the total energy acquired from the Power Pool on a flow through basis for the first month of the Quarter.

$PPVP_1$ is the Pool Price Volume Price which is based on the weighted average price of the volume purchased from the Power Pool for the first month of a Quarter.

$TEPP_1$ is the Total Energy Portfolio Price which means, for the first month of a Quarter, the average price (weighted by volume) of the Products in the Energy Product Portfolio for that period, including the Pool Price Volume, expressed in $/MWh.

$TEPV_1$ is the Total Energy Portfolio Volume which means, for the first month of a Quarter, the total volume of Products in the Energy Product Portfolio for that month including the Pool Price Volume.

ARM_2 is the Adjusted Return Margin for the second month of the Quarter and is calculated based on the same formula as ARM_1 *mutatis mutandis*.

ARM_3 is the Adjusted Return Margin for the third month of the Quarter and is calculated based on the same formula as ARM_1 *mutatis mutandis*.

$TEPV_q$ is the Total Energy Portfolio Volume which means, for the Quarter, the total volume of Products in the Energy Product Portfolio for that Quarter.

APPENDIX 3 – NON-RATE CLASSIFICATION CUSTOMER BILL COMPARISONS

"EESAI NRCC Bill Comparisons.xls"

(Consists of 5 pages)

EESAI

Changes From Final 2003 Bills @ October 1 to Final 2004 Bills @ January 1

			A	B	C	D	E	F	G	H	I
Line No.	Rate Class Description	Rate Code	**Final 2003 @ October 1 ¢/kWh**	Cessation of Final 2000 Deferral Rider PPDA part ¢/kWh	Cessation of Final 2000 Deferral Rider OMA part ¢/kWh	Cessation of 2003 Distribution Adjustment Rider ¢/kWh	Cessation of 2001 RROT Shortfall Rider ¢/kWh	Energy Cost Change ¢/kWh	**Final 2004 @ January 1 ¢/kWh**	**Change (G - A) ¢/kWh**	**Change $\frac{H}{A}$ %**
1	Lighting	3300	**8.06**	(1.37)	0.23	3.81	1.21	(0.75)	**11.18**	**3.12**	**38.7%**
2	Small Commercial	4100	**10.70**	(0.43)	0.07	1.54	(2.01)	(0.77)	**9.10**	**(1.59)**	**(14.9%)**
3	Oil and Gas	4400	**10.56**	(0.86)	0.00	1.55	(1.67)	(0.78)	**8.81**	**(1.76)**	**(16.6%)**

Note:
- Final 2003 Bills are for the 2003 calendar year.
- Final 2004 Bills are for the 2004 calendar year.
- Monthly consumption was assumed to be constant.
- The Cessation of 2001 RROT Shortfall Rider is for Rider A Customers only as per Decision 2003-031.

EESAI

Changes From Final 2004 Bills @ January 1 to Final 2005 Bills @ January 1

			A	B	C	D	E
Line No.	Rate Class Description	Rate Code	**Final 2004 @ January 1 ¢/kWh**	Energy Cost Change ¢/kWh	**Final 2005 @ January 1 ¢/kWh**	**Change (C - A) ¢/kWh**	**Change $\frac{D}{A}$ %**
1	Lighting	3300	**11.18**	(0.36)	**10.82**	**(0.36)**	**(3.2%)**
2	Small Commercial	4100	**9.10**	(0.45)	**8.65**	**(0.45)**	**(4.9%)**
3	Oil and Gas	4400	**8.81**	(0.44)	**8.36**	**(0.44)**	**(5.1%)**

Note:
- Final 2004 Bills are for the 2004 calendar year.
- Final 2005 Bills are for the 2005 calendar year.
- Monthly consumption was assumed to be constant.
- For Rider A Customers only as per Decision 2003-031.

EPCOR Energy Services (Alberta) Inc. (EESAI)
Effects of Rate and Rider Changes for Lighting Rates 3XXX, 1999 - 2005 (RIDER A CUSTOMERS ONLY)

Energy Price Assumptions		Unit	Customer Usage Level		
			3100	3300	3800 (50/50)
2005 RROT Energy Price	3.81¢/kWh				
2004 RROT Energy Price	4.17¢/kWh				
2003 RROT Energy Price @ Oct 1, 2003	4.91¢/kWh				
2003 RROT Energy Price @ Jul 1, 2003	4.76¢/kWh				
2003 RROT Energy Price @ Apr 1, 2003	4.75¢/kWh				
2003 RROT Energy Price @ Jan 1, 2003	4.78¢/kWh				
2002 RROT Energy Price	6.50¢/kWh	kWh	5,973	5,427	5,687
2001 RROT Energy Price	11.0¢/kWh	fixtures	100	100	100
Interim 2001 RROT Shortfall (w/ overcharge)	1.472¢/kWh	Watts	13,250	13,250	13,250
Final 2000 Pool Price Deferral Rider	0.583¢/Watt/Mo				

Row No.	Rate Component	Relative to Row	Effective Date	Costs for Each Usage Level ($/month) and Percentage Change Relative to Specified Row					
1	**December 1999 Rate**	-	Dec 31, 99	$1,744.60	-	$762.36	-	$1,229.91	-
2	**December 2000 Rate**	[1]	Dec 31, 00	$1,459.92	(16.3%)	$653.11	(14.3%)	$1,037.15	(15.7%)
3	**Interim 2001 Rate**	[2]	Jan 1, 01	$1,607.16	10.1%	$810.38	24.1%	$1,189.68	14.7%
4	**Final 2001 Base, Jul-Dec 2001**	[3]	Jan 1, 01	**$1,616.67**	**0.6%**	**$831.88**	**2.7%**	**$1,208.19**	**1.6%**
4a	Transmission Rider Jan-Jun 2001	[4]	Jul 1, 01	$25.97	1.6%	$25.97	3.1%	$25.97	2.1%
4b	Distribution Refund Jan-Jun 2001	[4]	Jul 1, 01	($12.32)	(0.8%)	($12.32)	(1.5%)	($12.32)	(1.0%)
4c	U99099 Outstanding Matters	[4]	Jul 1, 01	$95.00	5.9%	$95.00	11.4%	$95.00	7.9%
4d	2000 Unbilled Revenue	[4]	Jul 1, 01	($49.82)	(3.1%)	($49.82)	(6.0%)	($49.82)	(4.1%)
4e	Combined Delivery Rider	[4]	Jul 1, 01	$58.83	3.6%	$58.83	7.1%	$58.83	4.9%
5	**Final 2001 Bills, Jul-Dec 2001**	[4]	Jul 1, 01	**$1,675.50**	**3.6%**	**$890.71**	**7.1%**	**$1,267.02**	**4.9%**
5a	Changes between Final 2001 Bills & 2002 Base Rates								
5b	Alberta Electricity Auction Rebate	[5]	Jan 1, 02	$215.01	12.8%	$195.38	21.9%	$204.74	16.2%
5c	Combined Interim Delivery Rider (1e)	[5]	Jan 1, 02	($58.83)	(3.5%)	($58.83)	(6.6%)	($58.83)	(4.6%)
5d	Energy Cost Change	[5]	Jan 1, 02	($268.76)	(16.0%)	($244.22)	(27.4%)	($255.92)	(20.2%)
5e	RROT Retailer Margin	[5]	Jan 1, 02	$44.05	2.6%	$16.14	1.8%	$29.52	2.3%
6	**Predicted Base 2002 Rate**	[5]	Jan 1, 02	**$1,606.97**	**(4.1%)**	**$799.18**	**(10.3%)**	**$1,186.53**	**(6.4%)**
6a	Interim 2001 RROT Shortfall Rider (including overcharge)	[6]	Jan 1, 02	$87.94	5.5%	$79.91	10.0%	$83.74	7.1%
6b	Interim 2002 T Adjustment Rider	[6]	Jan 1, 02	($18.51)	(1.2%)	($16.82)	(2.1%)	($17.63)	(1.5%)
6c	Interim 2000 Pool Price Deferral Rider	[6]	Jan 1, 02	($4.51)	(0.3%)	($4.51)	(0.6%)	($4.51)	(0.4%)
6d	Combined Interim Transition Rider	[6]	Jan 1, 02	$64.92	4.0%	$58.58	7.3%	$61.61	5.2%
7	**2002 Bill with Interim PPDA**	[5]	Jan 1, 02	**$1,671.89**	**(0.2%)**	**$857.76**	**(3.7%)**	**$1,248.14**	**(1.5%)**
7a	Replace Interim with Final 2000 Deferral Rider								
7b	Interim 2000 Pool Price Deferral Rider	[6]	Jul 1, 02	$4.51	0.3%	$4.51	0.5%	$4.51	0.4%
7c	Final 2000 Deferral Rider -PPDA part	[6]	Jul 1, 02	$74.60	4.5%	$74.60	8.7%	$74.60	6.0%
7d	Final 2000 Deferral Rider -OMA part	[6]	Jul 1, 02	($12.32)	(0.7%)	($12.32)	(1.4%)	($12.32)	(1.0%)
8	**2002 Bill with Final Deferral**	[5]	Jul 1, 02	**$1,738.67**	**3.8%**	**$924.54**	**3.8%**	**$1,314.92**	**3.8%**
8a	Changes between Final 2002 Bills & 2003 Base Rates								
8b	Energy Cost Change	[8]	Jan 1, 03	($102.77)	(5.9%)	($93.39)	(10.1%)	($97.06)	(7.4%)
9	**Predicted Base 2003 Rate**	[8]	Jan 1, 03	**$1,635.90**	**(5.9%)**	**$831.15**	**(10.1%)**	**$1,217.86**	**(7.4%)**
9a	Change in 2001 RROT Shortfall Rider (to Final Rates @ Apr 1)	[9]	Jan 1, 03	($85.02)	(5.2%)	($77.25)	(9.3%)	($80.95)	(6.7%)
10	**Predicted 2003 Bills before correction**	[8]	Jan 1, 03	**$1,550.88**	**(10.8%)**	**$753.90**	**(18.5%)**	**$1,136.91**	**(13.6%)**
10a	Correction of 2002 Bill with Final Deferral	[10]		($66.56)	(4.3%)	($61.69)	(8.2%)	($64.03)	(5.6%)
11	**Predicted 2003 Bills after correction**	[8]	Jan 1, 03	**$1,484.32**	**(14.6%)**	**$692.21**	**(25.1%)**	**$1,072.88**	**(18.5%)**
11a	Changes between 2003 Base Rates @ Jan 1 & 2003 Base Rates @ Apr 1								
11b	Energy Cost Change	[11]	Apr 1, 03	($1.94)	(0.1%)	($1.77)	(0.3%)	($2.65)	(0.2%)
12	**Predicted Base 2003 Rate**	[11]	Apr 1, 03	**$1,482.38**	**(0.1%)**	**$690.44**	**(0.3%)**	**$1,070.23**	**(0.2%)**
12a	2001 RRO Shortfall Reconciliation Rider A	[12]	Apr 1, 03	($74.97)	(5.1%)	($68.12)	(9.9%)	($71.39)	(6.7%)
13	**Predicted 2003 Bills**	[11]	Apr 1, 03	**$1,407.41**	**(5.2%)**	**$622.32**	**(10.1%)**	**$998.84**	**(6.9%)**
13a	Changes between 2003 Base Rates @ Apr 1 & 2003 Base Rates @ Jul 1								
13b	Energy Cost Change	[13]	Jul 1, 03	$0.60	0.0%	$0.54	0.1%	$0.57	0.1%
14	**Predicted Base 2003 Rate**	[13]	Jul 1, 03	**$1,408.01**	**0.0%**	**$622.86**	**0.1%**	**$999.41**	**0.1%**
14a	Cessation of Interim 2003 T Adjustment Rider	[14]	Aug 1,03	$18.51	1.3%	$16.82	2.7%	$17.63	1.8%
14b	2003 Distribution Adjustment Rider	[14]	Aug 1,03	($650.97)	(46.2%)	($206.73)	(33.2%)	($420.10)	(42.0%)
14c	Municipal Assessment Rider (Rider A-1)	[14]	Aug 1,03	$25.01	1.8%	$7.94	1.3%	$16.14	1.6%
14d	Changes between 2003 DT Rates @ Jul 1 @ 2003 DT Rates @ Aug 1								
14e	Distribution and Transmission Cost Change	[14]	Aug 1,03	$12.82	0.9%	($12.09)	(1.9%)	$0.37	0.0%
15	**Predicted 2003 Bills**	[14]	Aug 1, 03	**$813.38**	**(42.2%)**	**$428.81**	**(31.2%)**	**$613.46**	**(38.6%)**
15a	Changes between 2003 Base Rates @ Jul 1 & 2003 Base Rates @ Oct 1								
15b	Energy Cost Change	[14]	Oct 1, 03	$9.39	1.2%	$8.53	2.0%	$8.94	1.5%
16	**Predicted Base 2003 Rate**	[15]	Oct 1, 03	**$822.78**	**1.2%**	**$437.34**	**2.0%**	**$622.39**	**1.5%**
16a	Cessation of Final 2000 Deferral Rider -PPDA part	[7]	Jan 1, 04	($74.60)	(9.1%)	($74.60)	(17.1%)	($74.60)	(12.0%)
16b	Cessation of Final 2000 Deferral Rider -OMA part	[7]	Jan 1, 04	$12.32	1.5%	$12.32	2.8%	$12.32	2.0%
16c	Cessation of 2003 Distribution Adjustment Rider	[14]	Jan 1, 04	$650.97	79.1%	$206.73	47.3%	$420.10	67.5%
16d	Cessation of Interim 2001 RROT Shortfall Rider (including overcharge)	[6]	Jan 1, 04	($87.94)	(10.7%)	($79.91)	(18.3%)	($83.74)	(13.5%)
16e	Cessation of Change in 2001 RROT Shortfall Rider (to Final Rates @ Apr 1)	[9]	Jan 1, 04	$85.02	10.3%	$77.25	17.7%	$80.95	13.0%
16f	Cessation of 2001 RRO Shortfall Reconciliation Rider A	[12]	Jan 1, 04	$74.97	9.1%	$68.12	15.6%	$71.39	11.5%
16g	Changes between 2003 Base Rates @ Oct 1 & 2004 Base Rates @ Jan 1								
16h	Energy Cost Change	[16]	Jan 1, 04	($44.64)	(5.4%)	($40.57)	(9.3%)	($42.51)	(6.8%)
17	**Predicted 2004 Bills**	[16]	Jan 1, 04	**$1,438.87**	**74.9%**	**$606.68**	**38.7%**	**$1,006.31**	**61.7%**
17a	Changes between 2004 Base Rates @ Jan 1 & 2005 Base Rates @ Jan 1								
17b	Energy Cost Change	[17]	Jan 1, 05	($21.31)	(1.5%)	($19.36)	(3.2%)	($20.29)	(2.0%)
18	**Predicted Base 2005 Rate**	[17]	Jan 1, 05	**$1,417.56**	**(1.5%)**	**$587.33**	**(3.2%)**	**$986.02**	**(2.0%)**

Note: Row No. 9a - Change in 2001 RROT Shortfall Rider is slightly different from Appendix 2 in Decision 2002-112 because Final Collection Shortfall Charges were not available at the time that the Appendix was prepared.
Row No. 10 - Predicted 2003 Bill before correction to 2002 Bill with Final Deferral
Correction was due to calculation of the 2000 Pool Price Deferral Rider using the kWh consumption instead of the kW
For the purposes of producing the Bill Comparison, the RRO Shortfall Riders and Reconciliation Riders were calculated as rates (in cents/kWh) and multiplied by the average monthly consumption.
Monthly consumption was assumed to be constant.
2003 RROT Energy Price @ Apr 1, 2003 reflects revised Q2 Energy Charges.
Interim 2003 T Adjustment Rider previously Interim 2002 Transmission Adjustment Rider as per Decision 2001-113
Municipal Assessment Rider (Rider A-1), average of 2.24% as per ANCA responses to Decision 2003-053 Directions

EPCOR Energy Services (Alberta) Inc. (EESAI)
Effects of Rate and Rider Changes for Small Commercial Rate 4100, 1999 - 2005

Energy Price Assumptions		Unit	Customer Usage Level Low Usage	 Typical Usage	 High Usage
2005 RROT Energy Price	4.98¢/kWh				
2004 RROT Energy Price	5.43¢/kWh				
2003 RROT Energy Price @ Oct 1, 2003	5.20¢/kWh				
2003 RROT Energy Price @ Jul 1, 2003	6.15¢/kWh				
2003 RROT Energy Price @ Apr 1, 2003	6.11¢/kWh				
2003 RROT Energy Price @ Jan 1, 2003	5.96¢/kWh				
2002 RROT Energy Price	6.50¢/kWh	kWh	1,095	2,190	10,950
2001 RROT Energy Price	11.0¢/kWh	kW	5	10	50
Interim 2001 RROT Shortfall (w/ overcharge)	2.688¢/kWh	%	30.0%	30.0%	30.0%
Final 2000 Pool Price Deferral Rider	0.427¢/kWh				

Row No.	Rate Component	Relative to Row	Effective Date	Costs for Each Usage Level ($/month) and Percentage Change Relative to Specified Row					
1	**December 1999 Rate**	-	Dec 21, 99	$111.91	-	$223.82	-	$1,119.09	-
2	**December 2000 Rate**	[1]	Dec 21, 00	$113.08	1.0%	$217.96	(2.6%)	$1,056.98	(5.6%)
3	**Interim 2001 Rate**	[2]	Jan 1, 01	$131.23	16.1%	$251.87	15.6%	$1,217.04	15.1%
4	**Final 2001 Base, Jul-Dec 2001**	[3]	Jan 1, 01	$134.20	2.3%	$257.93	2.4%	$1,247.82	2.5%
4a	Transmission Rider Jan-Jun 2001	[4]	Jul 1, 01	$3.84	2.9%	$7.68	3.0%	$38.43	3.1%
4b	Distribution Refund Jan-Jun 2001	[4]	Jul 1, 01	($0.90)	(0.7%)	($1.80)	(0.7%)	($8.98)	(0.7%)
4c	U99099 Outstanding Matters	[4]	Jul 1, 01	$13.07	9.7%	$26.15	10.1%	$130.74	10.5%
4d	2000 Unbilled Revenue	[4]	Jul 1, 01	($12.19)	(9.1%)	($24.37)	(9.5%)	($121.87)	(9.8%)
4e	Combined Interim Delivery Rider	[4]	Jul 1, 01	$3.83	2.9%	$7.67	3.0%	$38.33	3.1%
5	**Final 2001 Bill, Jul-Dec 2001**	[4]	Jul 1, 01	$138.03	2.9%	$265.60	3.0%	$1,286.14	3.1%
5a	Changes between Final 2001 Bills & 2002 Base Rates								
5b	Alberta Electricity Auction Rebate	[5]	Jan 1, 02	$38.42	28.0%	$78.84	29.7%	$394.20	30.6%
5c	Combined Interim Delivery Rider (1e)	[5]	Jan 1, 02	($3.83)	(2.8%)	($7.67)	(2.9%)	($38.33)	(3.0%)
5d	Energy Cost Change	[5]	Jan 1, 02	($49.28)	(35.7%)	($98.56)	(37.1%)	($492.75)	(38.3%)
5e	Retailer RROT Margin	[5]	Jan 1, 02	$1.99	1.4%	$3.60	1.4%	$16.41	1.3%
6	**Predicted Base 2002 Rate**	[5]	Jan 1, 02	$126.33	(8.5%)	$241.82	(9.0%)	$1,165.68	(9.4%)
6a	Interim 2001 RROT Shortfall Rider (including overcharge)	[6]	Jan 1, 02	$29.44	23.3%	$58.80	24.4%	$294.43	25.3%
6b	Interim 2002 T Adjustment Rider	[6]	Jan 1, 02	($3.39)	(2.7%)	($6.79)	(2.8%)	($33.98)	(2.9%)
6c	Interim 2000 Pool Price Deferral Rider	[6]	Jan 1, 02	$16.78	13.3%	$33.53	13.9%	$167.64	14.4%
6d	Combined Interim Transition Rider	[6]	Jan 1, 02	$42.81	33.9%	$85.53	35.4%	$428.13	36.7%
7	**2002 Bill with Interim PPDA**	[5]	Jan 1, 02	$169.15	22.5%	$327.44	23.3%	$1,593.80	23.9%
7a	Replace Interim with Final 2000 Deferral Rider								
7b	Interim 2000 Pool Price Deferral Rider	[6]	Jul 1, 02	($16.79)	(9.9%)	($33.53)	(10.2%)	($167.64)	(10.5%)
7c	Final 2000 Deferral Rider -PPDA part	[6]	Jul 1, 02	$4.69	2.8%	$9.35	2.9%	$46.76	2.9%
7d	Final 2000 Deferral Rider -OMA part	[6]	Jul 1, 02	($0.73)	(0.4%)	($1.47)	(0.4%)	($7.34)	(0.5%)
8	**2002 Bill with Final Deferral**	[5]	Jul 1, 02	$156.32	13.3%	$301.80	13.6%	$1,465.58	14.0%
8a	Changes between Final 2002 Bills & 2003 Base Rates								
8b	Energy Cost Change	[8]	Jan 1, 03	($5.95)	(3.8%)	($11.90)	(3.9%)	($59.51)	(4.1%)
9	**Predicted Base 2003 Rate**	[8]	Jan 1, 03	$150.37	(3.8%)	$289.89	(3.9%)	$1,406.07	(4.1%)
9a	Change in 2001 RROT Shortfall Rider (to Final Rates @ Apr 1)	[9]	Jan 1, 03	($2.29)	(1.5%)	($4.57)	(1.6%)	($22.87)	(1.6%)
10	**Predicted 2003 Bills**	[8]	Jan 1, 03	$148.08	(5.3%)	$285.32	(5.5%)	$1,383.20	(5.6%)
10a	Changes between 2003 Base Rates @ Jan 1 & 2003 Base Rates @ Apr 1								
10b	Energy Cost Change	[10]	Apr 1, 03	$1.69	1.1%	$3.38	1.2%	$16.89	1.2%
11	**Predicted Base 2003 Rate**	[10]	Apr 1, 03	$149.78	1.1%	$288.70	1.2%	$1,400.09	1.2%
11a	2001 RRO Shortfall Reconciliation Rider A	[11]	Apr 1, 03	($5.20)	(3.5%)	($10.40)	(3.6%)	($52.01)	(3.7%)
12	**Predicted 2003 Bills**	[10]	Apr 1, 03	$144.58	(2.4%)	$278.30	(2.5%)	$1,348.08	(2.5%)
12a	Changes between 2003 Base Rates @ Apr 1 & 2003 Base Rates @ Jul 1								
12b	Energy Cost Change	[12]	Jul 1, 03	$0.47	0.3%	$0.95	0.3%	$4.74	0.4%
13	**Predicted Base 2003 Rate**	[12]	Jul 1, 03	$145.05	0.3%	$279.25	0.3%	$1,352.82	0.4%
13a	Cessation of Interim 2003 T Adjustment Rider	[13]	Aug 1, 03	$3.39	2.3%	$6.79	2.4%	$33.96	2.5%
13b	2003 Distribution Adjustment Rider	[13]	Aug 1, 03	($18.59)	(12.8%)	($33.77)	(12.1%)	($155.17)	(11.5%)
13c	Municipal Assessment Rider (Rider A-1)	[13]	Aug 1, 03	$0.86	0.6%	$1.58	0.6%	$7.32	0.5%
13d	Changes between 2003 DT Rates @ Jul 1 @ 2003 DT Rates @ Aug 1								
13e	Distribution and Transmission Cost Change	[13]	Aug 1, 03	($9.46)	(6.5%)	($20.66)	(7.4%)	($109.96)	(8.1%)
14	**Predicted 2003 Bills**	[13]	Aug 1, 03	$121.25	(16.4%)	$233.19	(16.5%)	$1,128.97	(16.5%)
14a	Changes between 2003 Base Rates @ Jul 1 & 2003 Base Rates @ Oct 1								
14b	Energy Cost Change	[13]	Oct 1, 03	$0.52	0.4%	$1.03	0.4%	$5.17	0.5%
15	**Predicted Base 2003 Rate**	[14]	Oct 1, 03	$121.77	0.4%	$234.23	0.4%	$1,134.15	0.5%
15a	Cessation of Final 2000 Deferral Rider -PPDA part	[7]	Jan 1, 04	($4.69)	(3.8%)	($9.35)	(4.0%)	($46.76)	(4.1%)
15b	Cessation of Final 2000 Deferral Rider -OMA part	[7]	Jan 1, 04	$0.73	0.6%	$1.47	0.6%	$7.34	0.6%
15c	Cessation of 2003 Distribution Adjustment Rider	[13]	Jan 1, 04	$18.59	15.3%	$33.77	14.4%	$155.17	13.7%
15d	Cessation of Interim 2001 RROT Shortfall Rider (including overcharge)	[6]	Jan 1, 04	($29.44)	(24.2%)	($58.80)	(25.1%)	($294.43)	(26.0%)
15e	Cessation of Change in 2001 RROT Shortfall Rider (to Final Rates @ Apr 1)	[9]	Jan 1, 04	$2.29	1.9%	$4.57	2.0%	$22.87	2.0%
15f	Cessation of 2001 RRO Shortfall Reconciliation Rider A	[11]	Jan 1, 04	$5.20	4.3%	$10.40	4.4%	$52.01	4.6%
15g	Changes between 2003 Base Rates @ Oct 1 & 2004 Base Rates @ Jan 1								
15h	Energy Cost Change	[15]	Jan 1, 04	($8.43)	(6.9%)	($16.87)	(7.2%)	($84.35)	(7.4%)
16	**Predicted 2004 Bills**	[15]	Jan 1, 04	$106.03	(12.9%)	$199.34	(14.9%)	$946.00	(16.6%)
16a	Changes between 2004 Base Rates @ Jan 1 & 2005 Base Rates @ Jan 1								
16b	Energy Cost Change	[16]	Jan 1, 05	($4.93)	(4.6%)	($9.86)	(4.9%)	($49.30)	(5.2%)
17	**Predicted Base 2005 Rate**	[16]	Jan 1, 05	$101.10	(4.6%)	$189.48	(4.9%)	$896.70	(5.2%)

Note: Row No. 9a - Change in 2001 RROT Shortfall Rider is slightly different from Appendix 2 in Decision 2002-112 because Final Collection Shortfall Charges were not available at the time that the Appendix was prepared.
For the purposes of producing the Bill Comparison, the RRO Shortfall Riders and Reconciliation Riders were calculated as rates (in cents/kWh) and multiplied by the average monthly consumption.
Monthly consumption was assumed to be constant.
2003 RROT Energy Price @ Apr 1, 2003 reflects revised Q2 Energy Charges.
Interim 2003 T Adjustment Rider previously Interim 2002 Transmission Adjustment Rider as per Decision 2001-113
Municipal Assessment Rider (Rider A-1), average of 2.24% as per ANCA responses to Decision 2003-053 Directions

EPCOR Energy Services (Alberta) Inc. (EESAI)
Effects of Rate and Rider Changes for Oil and Gas, 1999 - 2005

Energy Price Assumptions		Unit	Customer Usage Level		
			Low Usage	Typical Usage	High Usage
2005 RROT Energy Price	4.90¢/kWh				
2004 RROT Energy Price	5.34¢/kWh				
2003 RROT Energy Price @ Oct 1, 2003	6.13¢/kWh				
2003 RROT Energy Price @ Jul 1, 2003	6.02¢/kWh				
2003 RROT Energy Price @ Apr 1, 2003	6.00¢/kWh				
2003 RROT Energy Price @ Jan 1, 2003	5.86¢/kWh				
2002 RROT Energy Price	6.50¢/kWh	kWh	2,190	4,380	21,900
2001 RROT Energy Price	11.0¢/kWh	kW	7.5	15	75
Interim 2001 RROT Shortfall (w/ overcharge)	2.401¢/kWh	%	40.0%	40.0%	40.0%
Final 2000 Pool Price Deferral Rider	$2.517/kW				

Row No.	Rate Component	Relative to Row	Effective Date	Costs for Each Usage Level ($/month) and Percentage Change Relative to Specified Row					
1	**December 1999 Rate**	-	Dec 31, 99	$172.22	-	$329.58	-	$1,588.49	-
2	**December 2000 Rate**	[1]	Dec 31, 00	$219.85	27.7%	$422.77	28.3%	$2,046.14	28.8%
3	**Interim 2001 Rate**	[2]	Jan 1, 01	$231.24	5.2%	$443.10	4.8%	$2,455.03	20.0%
4	**Final 2001 Base, Jul-Dec 2001**	[3]	Jan 1, 01	$243.57	5.3%	$467.66	5.5%	$2,577.42	5.0%
4a	Transmission Rider Jan-Jun 2001	[4]	Jul 1, 01	$11.93	4.9%	$23.85	5.1%	$119.25	4.6%
4b	Distribution Refund Jan-Jun 2001	[4]	Jul 1, 01	$0.19	0.1%	$0.38	0.1%	$1.88	0.1%
4c	U99099 Outstanding Matters	[4]	Jul 1, 01	$27.74	11.4%	$55.47	11.9%	$277.35	10.8%
4d	2000 Unbilled Revenue	[4]	Jul 1, 01	($10.21)	(4.2%)	($20.42)	(4.4%)	($102.08)	(4.0%)
4e	Combined Interim Delivery Rider	[4]	Jul 1, 01	$29.64	12.2%	$59.28	12.7%	$296.40	11.5%
5	**Final 2001 Bill, Jul-Dec 2001**	[4]	Jul 1, 01	$273.21	12.2%	$526.94	12.7%	$2,873.82	11.5%
5a	Changes between Final 2001 Bills & 2002 Base Rates								
5b	Alberta Electricity Auction Rebate	[5]	Jan 1, 02	$78.84	28.9%	$157.68	29.9%	$798.40	27.4%
5c	Combined Interim Delivery Rider (1e)	[5]	Jan 1, 02	($29.64)	(10.8%)	($59.28)	(11.2%)	($296.40)	(10.3%)
5d	Energy Cost Change	[5]	Jan 1, 02	($98.55)	(36.1%)	($197.10)	(37.4%)	($985.50)	(34.3%)
5e	Retailer RROT Margin	[5]	Jan 1, 02	$3.50	1.3%	$5.83	1.1%	$35.88	1.2%
6	**Predicted Base 2002 Rate**	[5]	Jan 1, 02	$227.36	(16.8%)	$434.07	(17.6%)	$2,416.20	(15.9%)
6a	Interim 2001 RROT Shortfall Rider (including overcharge)	[6]	Jan 1, 02	$52.58	23.1%	$105.15	24.2%	$525.76	21.8%
6b	Interim 2002 T Adjustment Rider	[6]	Jan 1, 02	($7.98)	(3.5%)	($15.96)	(3.7%)	($79.80)	(3.3%)
6c	Interim 2000 Pool Price Deferral Rider	[6]	Jan 1, 02	$15.65	6.9%	$31.31	7.2%	$156.53	6.5%
6d	Combined Interim Transition Rider	[6]	Jan 1, 02	$60.25	26.5%	$120.50	27.8%	$602.49	24.9%
7	**2002 Bill with Interim PPDA**	[5]	Jan 1, 02	$287.61	5.3%	$554.56	5.2%	$3,018.69	5.0%
7a	Replace Interim with Final 2000 Deferral Rider								
7b	Interim 2000 Pool Price Deferral Rider	[6]	Jul 1, 02	($15.65)	(5.4%)	($31.31)	(5.6%)	($156.53)	(5.2%)
7c	Final 2000 Deferral Rider -PPDA part	[6]	Jul 1, 02	$18.86	5.6%	$37.76	6.8%	$188.78	6.3%
7d	Final 2000 Deferral Rider -OMA part	[6]	Jul 1, 02	($0.09)	(0.0%)	($0.18)	(0.0%)	($0.90)	(0.0%)
8	**2002 Bill with Final Deferral**	[5]	Jul 1, 02	$290.75	6.4%	$560.83	6.4%	$3,050.04	6.1%
8a	Changes between Final 2002 Bills & 2003 Base Rates								
8b	Energy Cost Change	[8]	Jan 1, 03	($14.11)	(4.9%)	($28.23)	(5.0%)	($141.15)	(4.6%)
9	**Predicted Base 2003 Rate**	[8]	Jan 1, 03	$276.63	(4.9%)	$532.61	(5.0%)	$2,908.89	(4.6%)
9a	Change in 2001 RROT Shortfall Rider (to Final Rates @ Apr 1)	[9]	Jan 1, 03	($4.32)	(1.6%)	($8.54)	(1.6%)	($43.20)	(1.5%)
10	**Predicted 2003 Bills before correction**	[8]	Jan 1, 03	$272.31	(6.3%)	$523.97	(6.6%)	$2,865.69	(6.0%)
10a	Correction of 2002 Bill with Final Deferral	[10]		-	-	-	-	($345.80)	(12.1%)
11	**Predicted 2003 Bills after correction**	[8]	Jan 1, 03	$272.31	(6.3%)	$523.97	(6.6%)	$2,519.89	(17.4%)
11a	Changes between 2003 Base Rates @ Jan 1 & 2003 Base Rates @ Apr 1								
11b	Energy Cost Change	[11]	Apr 1, 03	$3.20	1.2%	$6.39	1.2%	$31.97	1.3%
12	**Predicted Base 2003 Rate**	[11]	Apr 1, 03	$275.51	1.2%	$530.36	1.2%	$2,551.86	1.3%
12a	2001 RRO Shortfall Reconciliation Rider A	[11]	Apr 1, 03	($11.74)	(4.3%)	($23.47)	(4.4%)	($117.37)	(4.6%)
13	**Predicted 2003 Bills**	[11]	Apr 1, 03	$263.77	(3.1%)	$506.89	(3.3%)	$2,434.49	(3.4%)
13a	Changes between 2003 Base Rates @ Apr 1 & 2003 Base Rates @ Jul 1								
13b	Energy Cost Change	[13]	Jul 1, 03	$0.41	0.2%	$0.81	0.2%	$4.05	0.2%
14	**Predicted Base 2003 Rate**	[13]	Jul 1, 03	$264.18	0.2%	$507.70	0.2%	$2,438.54	0.2%
14a	Cessation of Interim 2003 T Adjustment Rider	[14]	Aug 1,03	$7.96	3.0%	$15.96	3.1%	$79.80	3.3%
14b	2003 Distribution Adjustment Rider	[14]	Aug 1,03	($37.49)	(14.2%)	($67.83)	(13.4%)	($310.60)	(12.7%)
14c	Municipal Assessment Rider (Rider A-1)	[14]	Aug 1,03	$1.71	0.6%	$3.09	0.6%	$14.14	0.6%
14d	Changes between 2003 DT Rates @ Jul 1 @ 2003 DT Rates @ Aug 1	[14]							
14e	Distribution and Transmission Cost Change	[14]	Aug 1,03	($0.45)	(0.2%)	($0.82)	(0.2%)	($3.73)	(0.2%)
15	**Predicted 2003 Bills**	[14]	Aug 1, 03	$235.93	(10.7%)	$458.10	(9.8%)	$2,218.15	(9.0%)
15a	Changes between 2003 Base Rates @ Jul 1 & 2003 Base Rates @ Oct 1								
15b	Energy Cost Change	[14]	Oct 1, 03	$2.31	1.0%	$4.62	1.0%	$23.10	1.0%
16	**Predicted Base 2003 Rate**	[15]	Oct 1, 03	$238.24	1.0%	$462.72	1.0%	$2,241.26	1.0%
16a	Cessation of Final 2000 Deferral Rider -PPDA part	[7]	Jan 1, 04	($18.88)	(7.9%)	($37.76)	(8.2%)	($188.78)	(8.4%)
16b	Cessation of Final 2000 Deferral Rider -OMA part	[7]	Jan 1, 04	$0.09	0.0%	$0.18	0.0%	$0.90	0.0%
16c	Cessation of 2003 Distribution Adjustment Rider	[14]	Jan 1, 04	$37.49	15.7%	$67.83	14.7%	$310.60	13.9%
16d	Cessation of Interim 2001 RROT Shortfall Rider (including overcharge)	[6]	Jan 1, 04	($52.58)	(22.1%)	($105.15)	(22.7%)	($525.76)	(23.5%)
16e	Cessation of Change in 2001 RROT Shortfall Rider (to Final Rates @ Apr 1)	[9]	Jan 1, 04	$4.32	1.8%	$8.64	1.9%	$43.20	1.9%
16f	Cessation of 2001 RRO Shortfall Reconciliation Rider A	[12]	Jan 1, 04	$11.74	4.9%	$23.47	5.1%	$117.37	5.2%
16g	Changes between 2003 Base Rates @ Oct 1 & 2004 Base Rates @ Jan 1								
16h	Energy Cost Change	[16]	Jan 1, 04	($17.10)	(7.2%)	($34.21)	(7.4%)	($171.04)	(7.6%)
17	**Predicted 2004 Bills**	[16]	Jan 1, 04	$203.32	(14.7%)	$385.73	(16.6%)	$1,827.75	(18.4%)
17a	Changes between 2004 Base Rates @ Jan 1 & 2005 Base Rates @ Jan 1								
17b	Energy Cost Change	[17]	Jan 1, 05	($9.74)	(4.8%)	($19.48)	(5.1%)	($97.40)	(5.3%)
18	**Predicted Base 2005 Rate**	[17]	Jan 1, 05	$193.58	(4.8%)	$366.25	(5.1%)	$1,730.35	(5.3%)

Note: Row No. 9a - Change in 2001 RROT Shortfall Rider is slightly different from Appendix 2 in Decision 2002-112 because Final Collection Shortfall Charges were not available at the time that the Appendix was prepared.
For the purposes of producing the Bill Comparison, the RRO Shortfall Riders and Reconciliation Riders were calculated as rates (in cents/kWh) and multiplied by the average monthly consumption.
Monthly consumption was assumed to be constant.

2003 RROT Energy Price @ Apr 1, 2003 reflects revised Q2 Energy Charges.
Interim 2003 T Adjustment Rider previously Interim 2002 Transmission Adjustment Rider as per Decision 2001-113
Municipal Assessment Rider (Rider A-1), average of 2.24% as per ANCA responses to Decision 2003-053 Directions

SCHEDULE A - EESAI NRCC RRT PRICE SCHEDULES

"EESAI NRCC RRT
Price Schedules.doc"

(Consists of 9 pages)

EPCOR

Schedule "A"

EPCOR Energy Services (Alberta) Inc.

RRT Price Schedule Applicable to Non-Rate Classification Customers

Revised November 24, 2003

Regulated Rate Tariff - Price Schedule

Oil and Gas Service

Applicable: Available to oil and natural gas field metered or unmetered services, within the ANCA service area, that normally require less than 75 kW. These services include pumping and related operations such as rectifiers, cathodic protection, radio transmitters, and water pumping services.

Price:

Energy Charge:

Shall be:

$ · per kWh for the period January 1, 2004 to March 31, 2004.

Transmission Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed for system access service by ANCA, for the site, for the applicable billing period.

Distribution Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed for distribution access service by ANCA, for the site, for the applicable billing period.

2001 RROT Collection Shortfall Charge:

Shall be the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

ANCA Riders:

Shall be the amount, either actual or estimated, of any rider that EESAI is billed by ANCA, for the site, for the applicable billing period.

Administrative Charge: $ 5.51 / month

Local Access Fee:

Shall be determined in accordance with the Applicable Franchise Agreement.

Regulations:

The Regulated Rate Tariff - Terms and Conditions for Non-Rate Classification Customers apply.

Regulated Rate Tariff - Price Schedule

Commercial Service

Applicable: Available to Eligible Customers, other than Rate Classification Customers, and that are not eligible for any of the other Regulated Rate Tariff Rate Classifications and are served directly by the ANCA Distribution System, that are eligible for the Regulated Rate Tariff.

Price:

Energy Charge:

Shall be:

$ · per kWh for the period January 1, 2004 to March 31, 2004.

Transmission Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed for system access service by ANCA, for the site, for the applicable billing period.

Distribution Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed for distribution access service by ANCA, for the site, for the applicable billing period.

2001 RROT Collection Shortfall Charge:

Shall be the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

ANCA Riders:

Shall be the amount, either actual or estimated, of any rider that EESAI is billed by ANCA, for the site, for the applicable billing period.

Administration Charge: $ 5.07 / month

Local Access Fee:

Shall be determined in accordance with the Applicable Franchise Agreement.

Regulations

The Regulated Rate Tariff - Terms and Conditions for Non-Rate Classification Customers apply.

Regulated Rate Tariff - Price Schedule

Unmetered Controlled Lighting Service

Applicable: Available to Unmetered Controlled Lighting Services that are served directly by the ANCA Distribution System.

Consumption: Shall be determined in accordance with the Unmetered Services Rider

Price:

Energy Charge:

Shall be:

$ · per kWh for the period January 1, 2004 to March 31, 2004.

Transmission Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed for transmission access service by ANCA, for the site, for the applicable billing period.

Distribution Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed for distribution access service by ANCA, for the site, for the applicable billing period.

2001 RROT Collection Shortfall Charge:

Shall be the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

ANCA Riders:

Shall be the amount, either actual or estimated, of any rider that EESAI is billed by ANCA, for the site, for the applicable billing period.

Administration Charge:	$ 4.28 / month

Where more than one light is billed on a single invoice, only one administration charge shall apply.

Local Access Fee:

Shall be determined in accordance with the Applicable Franchise Agreement.

Regulations:

The Regulated Rate Tariff - Terms and Conditions for Non-Rate Classification Customers apply.

Regulated Rate Tariff – Price Schedule

Unmetered Services Rider

Applicable: To services which do not have an energy meter and where the energy consumption is small and can be easily predicted. The estimated consumption will be based on equipment nameplate rating and operational patterns. These services will be supplied under the Price Schedule, Commercial Service. EESAI reserves the right to audit and re-estimate energy consumption. The customer may provide an acceptable meter socket and request metered service.

Deemed energy:

Where ANCA provides EESAI with an estimated energy consumption in association with billing its Distribution Tariff, EESAI will use that estimate for retail billing. In all other cases EESAI will estimate the consumption at the meter level.

Regulations:

The Regulated Rate Tariff - Terms and Conditions for Non-Rate Classification Customers apply.

Regulated Rate Tariff

Miscellaneous Fees

1. ACCOUNT CONNECTION FEE

A Connection fee is applied as follows:

a) Where power at a service is currently on at the time of application and where responsibility for paying the account is being transferred from an existing customer to a new customer at a site, the fee is $10.00. Three business days notice is required prior to the service being transferred to the responsibility of the new Customer. Expedited service is available at an additional fee of $10.00

b) Where an arrangement has been made and the account is being automatically transferred to the responsibility of a property owner or landlord upon a tenant applying for termination of power service, the fee is $5.00

c) Where a service exists but has been physically turned off at the time of application, the fee is $22.00. Three business days notice is required. Expedited service is available at an additional fee of $24.00

2. RETURNED CHEQUE CHARGE

Where a customer's payment is not honoured by the customer's bank, a charge of $20 will apply for each such payment received by EESAI.

3. COLLECTION FEE

Where EESAI delivers, by courier, a "Turn-Off Notice" to a customer due to non-payment of amounts owing, a collection fee of $15.00 will be applied to the customer's account.

4. COST RECOVERY CHARGES

For miscellaneous service requests including, but not limited to, reconnection of service after cut-off for non-payment, and meter testing, the charge will be based on the estimated or actual cost of providing the service.

SCHEDULE B - EESAI RCC RRT PRICE SCHEDULES

EESAI RCC RRT Price
Schedules

(Consists of 6 pages)

Schedule "B"

EPCOR Energy Services (Alberta) Inc.

RRT Price Schedule Applicable to Rate Classification Customers

Regulated Rate Tariff - Price Schedule

Residential Service

Applicable: To individually metered single family dwelling units, within the ANCA service area, that are used for domestic purposes only.

Price: **Energy Charge**:

Shall be:

$ • per kWh for the period January 1, 2004 to March 31, 2004.

System Access Service Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

Distribution Access Service Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

ANCA Adjustment Riders:

Shall be 1.000 times the amount, either actual or estimated, of any riders that EESAI is billed by ANCA, for the site, for the applicable billing period.

Retail Charge: $ 4.06 / month

Franchise Fee Charge:

Shall be determined in accordance with the Applicable Franchise Agreement.

Regulations:

The Regulated Rate Tariff Terms and Conditions of Regulated Rate Service apply.

In addition to single family dwellings, this Rate is also available to:

1. an individually metered single dwelling unit with a maximum of 1,000 watts used in connection with small business;
2. an individually metered single motel rental unit, provided that the owner has contracted with EESAI for service to each unit;
3. an individually metered private dwelling in a commercial travel trailer or mobile home park, provided that EESAI bills the owner of the park if the occupancy is temporary;
4. multi-residential buildings which are served through a single meter and which were billed by TransAlta in 2000 on a residential rate;
5. senior citizen apartment complexes served through a single meter; or
6. travel trailer or mobile home parks served through a single meter where the owner of the park sub-meters each of the occupants of the park and charges the occupants of the park at rates no higher than this Residential Rate.

In cases 4, 5 and 6 (multi-residential), the customer is billed for System and Distribution Access as a multi-residential service, as 1.0375 times the amount, actual or estimated, that EESAI is billed by ANCA.

Regulated Rate Tariff - Price Schedule

Farm Service

Applicable: Available in rural areas to customers served directly by the ANCA Distribution System who are involved in a farming operation.

Price: **Energy Charge**:

Shall be:

$ • per kWh for the period January 1, 2004 to March 31, 2004.

System Access Service Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

Distribution Access Service Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

ANCA Adjustment Riders:

Shall be 1.000 times the amount, either actual or estimated, of any riders that EESAI is billed by ANCA, for the site, for the applicable billing period.

Retail Charge: $ 4.52 / month

Franchise Fee Charge:

Shall be determined in accordance with the Applicable Franchise Agreement.

Regulations:

The Regulated Rate Tariff Terms and Conditions of Regulated Rate Service apply.

Regulated Rate Tariff - Price Schedule

Irrigation Service

Applicable: Available to customers served directly by the ANCA Distribution System who have individually metered motors driving irrigation pumps that operate only in the Irrigation Season.

Price: **Energy Charge**:

Shall be:

$ • per kWh for the period January 1, 2004 to March 31, 2004.

System Access Service Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

Distribution Access Service Charge:

Shall be 1.0375 times the amount, either actual or estimated, that EESAI is billed by ANCA, for the site, for the applicable billing period.

ANCA Adjustment Riders:

Shall be 1.000 times the amount, either actual or estimated, of any riders that EESAI is billed by ANCA, for the site, for the applicable billing period.

Retail Charge: $ 4.12 / month

Franchise Fee Charge:

Shall be determined in accordance with the Applicable Franchise Agreement.

Regulations:

The Regulated Rate Tariff Terms and Conditions of Regulated Rate Service apply.

Regulated Rates Tariff

Miscellaneous Fees

1. ACCOUNT CONNECTION FEE

A Connection fee is applied as follows:

a) Where power at a service is currently on at the time of application and where responsibility for paying the account is being transferred from an existing customer to a new customer at a site, the charge is $10.00. Three business days notice is required prior to the service being transferred to the responsibility of the new Customer. Expedited service is available at an additional charge of $10.00

b) Where an arrangement has been made and the account is being automatically transferred to the responsibility of a property owner or landlord upon a tenant applying for termination of power service, the charge is $5.00

c) Where a service exists but has been physically turned off at the time of application, the charge is $22.00. Three business days notice is required. Expedited service is available at an additional charge of $24.00

2. RETURNED CHEQUE CHARGE

Where a customer's payment is not honoured by the customer's bank, a charge of $20 will apply for each such payment received by EESAI.

3. COLLECTION FEE

Where EESAI delivers, by courier, a "Turn-Off Notice" to a customer due to non-payment of amounts owing, a collection fee of $15.00 will be applied to the customer's account.

4. COST RECOVERY CHARGES

For miscellaneous service requests including, but not limited to, reconnection of service after cut-off for non-payment, and meter testing, the charge will be based on the estimated or actual cost of providing the service.

SCHEDULE C - EESAI NRCC RRT TERMS AND CONDITIONS

"EESAI NRCC RRT T&Cs.doc"

(Consists of 17 pages)

Attachment "1"
to the EESAI 2004 RRT Amended Application Letter for Non-Rate Classification Customers
dated November 19, 2003

Regulated Rate Tariff – Terms and Conditions For Non - Rate Classification Customers

EPCOR Energy Services (Alberta) Inc.

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ARTICLE 1 - GENERAL

1.1 Provision of Regulated Rate Service

Aquila Networks Canada (Alberta) Ltd. ("ANC") has made arrangements with EESAI to perform ANC's obligations to provide Regulated Rate Service to Eligible Customers in its service area. EESAI provides Regulated Rate Service under its Regulated Rate Tariffs that have been approved by the Board and includes these RRT Terms and the Price Schedule. The Price Schedule sets out the prices approved by the Regulator for Regulated Rate Service provided by EESAI.

These RRT Terms are the terms and conditions upon which EESAI offers and provides Regulated Rate Service to Non - Rate Classification Customers.

The Regulated Rate Tariff is available for public inspection during normal business hours at EESAI's business offices.

1.2 Effective Date

These RRT Terms will take effect on January 1, 2004.

1.3 Customers Bound by Regulated Rate Tariff

The Regulated Rate Tariff applies to each Customer. Without limiting the generality of the foregoing, the entering into of a Regulated Rate Service Agreement by a Customer, the receipt by the Customer of Regulated Rate Service or the payment by the Customer of a bill rendered by EESAI in relation to Regulated Rate Service shall constitute acceptance by the Customer of all of the provisions of the Regulated Rate Tariff. Each Customer is also bound by ANC's Distribution Tariff.

1.4 Modification of Regulated Rate Tariff

No agent, employee or other representative of EESAI is authorized to modify any provision or price contained in the Regulated Rate Tariff or to bind EESAI to perform in any manner inconsistent with the Regulated Rate Tariff. Without limiting the generality of the foregoing, no agreement can provide for the waiver or alteration of any part of the Regulated Rate Tariff unless such agreement is first filed with and approved by the Regulator.

1.5 Regulatory Approval and Amendment

The Board has approved the RRT Terms. EESAI may amend the RRT Terms by filing a notice of amendment with the Board. The amendment will take effect 60 days after such notice is filed unless the Board directs otherwise. Whenever the Board approves an amendment to the RRT Terms or an amendment otherwise takes effect, the applicable section(s) of the RRT Terms will be revised to incorporate the amendments and the effective date of the amendments will be indicated in the revised section(s).

ARTICLE 2 - DEFINITIONS AND INTERPRETATION

2.1 Definitions

The following words and phrases, whenever used in the Regulated Rate Tariff, shall have the following meanings:

"Alberta Interconnected Electric System" means the "interconnected electric system" as defined in the EUA.

"ANC" means Aquila Networks Canada (Alberta) Ltd. or any other person who acts as a Wires Service Provider with respect to ANC's Distribution System.

"Board" means the Alberta Energy and Utilities Board established under the *Alberta Energy and Utilities Board Act, 2000, A-17.*

"Customer" means:

(a) An Eligible Customer who has not selected a Retailer; or

(b) an Eligible Customer, other than an Eligible Customer referred to in paragraph (a) of this definition, who is receiving Regulated Rate Service or who has applied for Regulated Rate Service from EESAI.

"Business Day" means a day, which is not a Saturday, Sunday or statutory holiday in the Province of Alberta, and "day" means any calendar day.

"Customer of Record" means the Customer for whom EESAI has opened an account pursuant to Section 3.2 or Section 5.9.

"Distribution Access Service" means "distribution access service" as defined in the EUA provided to Customers by means of ANC's Distribution System.

"Distribution System" means "electric distribution system" as defined in the EUA.

"Distribution Tariff" means, at any point in time, ANC's tariff for the provision of Distribution Access Service approved by the Board and in effect at such time.

"Electricity Services" means "electricity services" as defined in the EUA.

"Eligible Customer" means:

(a) a Rate Classification Customer, and

(b) any other customer, if the Owner's reasonable forecast of the customer's annual consumption of electric energy at a site is less than 250 megawatt hours of electric energy at that site.

"Energy" means "electric energy" as defined in the EUA, expressed in kilowatt hours.

"EESAI" means EPCOR Energy Services (Alberta) Inc.

"EUA" means the *Electric Utilities Act,* 2003, E-5.1, including the regulations enacted thereunder, as re-enacted, amended or replaced from time to time.

"Exchange" means "exchange" as defined in the EUA.

"Facilities" means physical plant (including, without limitation, transmission and distribution lines, transformers, meters, equipment and machinery).

"Farm Rate Classification Customer" means a customer receiving or eligible to receive Farm Service as specified in the Price Schedule.

"Force Majeure" means circumstances not reasonably within the control of EESAI including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, interruption of supply, goods or services including electricity or the electricity Distribution Access Service, the intervention of federal, provincial, or local government or from any of their agencies or boards, the order of direction of any court, and any other cause, whether of the kind herein enumerated or otherwise.

"Irrigation Rate Classification Customer" means a customer receiving or eligible to receive Irrigation Service as specified in the Price Schedule.

"Lighting Customer" means an Unmetered Controlled Lighting Service customer receiving or eligible to receive Unmetered Controlled Lighting Service as specified in the Price Schedule.

"Load" means Energy consumed by Customers together with allocated losses and other unaccounted for Energy.

"Non - Rate Classification Customer" means an Eligible Customer other than a Rate Classification Customer.

"Non-Regulated Rate Services" means the various services, other than Regulated Rate Service, provided to a Customer by EESAI and other Persons from time to time.

"Oil and Gas Customer" means a customer receiving or eligible to receive Oil and Gas Service as specified in the Price Schedule.

"Person" means a person, firm, partnership, corporation, organization or other association, and includes an individual member thereof.

"Point of Service" means the point at which ANC's service conductors are connected to the wires or apparatus of a Customer.

"Price Schedule" means EESAI's Regulated Rate Tariff Price Schedules, approved by the Board.

"Rate Classification Customer" means a Residential Rate Classification Customer, a Farm Rate Classification Customer or an Irrigation Rate Classification Customer as defined in EESAI's RRT Price Schedule.

"RRR Regulation" means the *Roles, Relationships and Responsibilities Regulation*, AR 169/2003.

"RRT Terms" means these terms and conditions, as they may be amended from time to time.

"RDS Regulation" means the *Regulated Default Supply Regulation*, AR 168/2003.

"Regulated Rate Service" means:

(a) arranging for the Exchange or purchase of Energy on behalf of a Customer;

(b) arranging for Distribution Access Service on behalf of a Customer in accordance with EESAI's Regulated Rate Tariff.

"Regulated Rate Service Agreement" means an agreement between EESAI and a Customer in a form acceptable to EESAI.

"Regulated Rate Tariff" means EESAI's Regulated Rate Tariff approved by the Board for Eligible Customers, including these RRT Terms, the Price Schedule, and RRT System Delivery and Billing Agreement.

"Regulator" means the Board.

"Residential Rate Classification Customer" means a customer receiving or eligible to receive Residential Service as specified in the Price Schedule.

"Retailer" means a "retailer" as defined in the EUA.

"RRT Arrangement Agreement" means the Agreement between ANC and EESAI for EESAI to provide a RRT service to Eligible Customers in the ANC service area.

"Service Connection" means all Facilities required for providing services up to the Point of Service.

"Site" means, in relation to a Service Connection for a Customer, the Point of Service for the Customer.

"Small Commercial Customer" means a Non-Rate Classification Customer other than a Lighting Customer or an Oil and Gas Customer.

"System Controller" means the person referred to in section 7 of the EUA.

"Transmission Administrator" has the meaning given to it in the EUA.

"Wires Service Provider" means a "wires service provider" as defined in the EUA.

2.2 Conflicts

If there is any conflict between a provision expressly set out by an order of the Board and these RRT Terms, the Board order shall govern.

2.3 Headings

The division of these RRT Terms into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these RRT Terms.

2.4 Extended Meanings

In these RRT Terms, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter gender and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

2.5 Rates, Charges and Fees

All rates, charges and fees referred to in these RRT Terms are as set out in the Price Schedule.

ARTICLE 3 - REGULATED RATE SERVICE

3.1 Availability

Regulated Rate Service is available to Eligible Customers strictly in accordance with the Regulated Rate Tariff.

3.2 Application for Service

A Non - Rate Classification Customer, who is not receiving Regulated Rate Service from EESAI, must complete an application in writing for Regulated Rate Service at a Site.

EESAI requires no less than 3 full Business Days prior notice to ensure a timely connection of Regulated Rate Service at a Site. Expedited connection of Regulated Rate Service is available at an additional charge in accordance with the Price Schedule. EESAI may declare at any time, that 30 days notice is required to obtain Regulated Rate Service. During any such period, an additional fee will apply in lieu of notice.

If EESAI accepts a Customer's application, EESAI will open an account for the Customer for Regulated Rate Service at the applied for Site and the Customer shall be the "Customer of Record" for the Site, and will pay EESAI a processing charge for opening the account. The Customer will be responsible to pay to EESAI all amounts charged to the account from the time the account is opened until it is closed as provided in Sections 3.7 and 3.8.

3.3 Credit Information

EESAI may at any time request information:

(a) From a prospective Customer required to determine the Customer's credit history and the credit risk of the Customer; and

(b) From an existing Customer required to determine the Customer's credit history and the credit risk of the Customer when the Customer has paid a bill late more than once in any six month period or when EESAI has other reasonable grounds for believing that the existing Customer is a high credit risk, including without limitation, identification, contact and credit information. If a prospective Customer or existing Customer refuses to provide the requested information, then EESAI may refuse or discontinue, as the case may be, Regulated Rate Service to the Customer.

3.4 Refusal of Regulated Rate Service

EESAI reserves the right to refuse Regulated Rate Service to a Customer at a Site where:

(a) a previous Customer at the Site had a history of non-payment and EESAI believes, on reasonable grounds, that the defaulting Customer would continue to occupy the premises located at the Site;

(b) the Customer has not complied with the applicable provisions of the Regulated Rate Tariff to EESAI's satisfaction;

(c) the Customer has not provided the deposit required by EESAI;

(d) EESAI is not satisfied with the Customer's credit rating or credit history, unless the Customer has provided a deposit satisfactory to EESAI in accordance with section 3.6;

(e) the Customer has an outstanding balance with EESAI for Regulated Rate Service.

3.5 Customer Change of Name or Information

If a Customer has a change of name or contact information, including mailing address and telephone number, for continuation of Regulated Rate Service the Customer must notify EESAI of such change as soon as reasonably possible. EESAI reserves the right to require that such notification be made in writing.

3.6 Deposits

3.6.1 Requirement for Deposit

EESAI, in its sole discretion, may require a deposit or an increase in an existing deposit by a Customer including, without limitation, in the following circumstances:

(a) the Customer has paid a bill late more than once in any six month period;

(b) the Customer has issued more than one cheque that has been returned for non-sufficient funds in any six month period;

(c) there has been more than a 50% increase in the Customer's average monthly consumption of Energy;

(d) the Customer's service was disconnected for non-payment;

(e) upon application by the Customer for re-connection after a cut-off for non-payment; or

(f) the Customer making the application for service has a credit rating which is not satisfactory to EESAI.

3.6.2 Waiver of Deposit Requirement

EESAI, in its sole discretion, may waive the requirement for a deposit by Customer under Section 3.6.1 including, without limitation, in the following circumstances:

(a) where the Customer has a previous good payment history with EESAI;

(b) where a result satisfactory to EESAI is obtained from an external credit check;

(c) where the Customer provides a co-signor who agrees to be personally responsible for payment for Energy supplied and services rendered to the Customer and who has a credit rating acceptable to EESAI; or

(d) where the Customer provides to EESAI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EESAI.

3.6.3 Maximum Deposit

The maximum deposit EESAI will require from a Customer under this Regulated Rate Tariff is equal to 25% of the annual total charge payable by the Customer, as estimated by EESAI.

3.6.4 Return of Deposit

A deposit made by a Customer may be returned to the Customer after a satisfactory payment history over a period of 12 consecutive months or when the Customer's Regulated Rate Service is terminated and the Customer's account is closed. Where a Customer's Regulated Rate Service is terminated and the Customer's account is closed for non-payment, prior to any refund, the deposit will be applied to the balance owing by the Customer to EESAI.

3.6.5 Interest Payable on Deposits

EESAI will pay to a Customer at the end of each calendar year or when the Customer's account is closed, simple interest on the daily balance of any cash deposit held by EESAI in respect of the Customer. The interest rate applicable for each year is the "Bank Rate" announced by the Bank of Canada and in effect on January 1 of that year.

3.7 Closing an Account

Subject to Section 3.8, a Customer may close an account for Regulated Rate Service at a Site by giving EESAI notice to close the account. In order to close the account on a specified date, EESAI requires at least three full Business Days prior notice. EESAI will determine whether a final meter reading is required.

3.8 Account Closure on Switch of Retailer

To close an account for Regulated Rate Service at a Site for the purpose of switching to a new Retailer, a Customer must give EESAI no less than 60 days prior notice to close the account.

Expedited service to close an account for may be obtained on no less than 30 days notice on payment of the following fee for the applicable rate class of service:

Residential	$20.00
Farm	$35.00
Irrigation	$70.00
Exterior Lighting (per fixture)	$10.00
Commercial	$60.00
Oil and Gas	$75.00

3.9 Account and Regulated Rate Service May Not Be Assigned

A Customer cannot assign his account for Regulated Rate Service or any rights in relation to Regulated Rate Service for a Site to a new occupant or owner of the premises at which the Site is located. The new occupant or owner must apply for Regulated Rate Service at the Site. The Customer is responsible for payment for all Regulated Rate Service provided to the Customer up to the time EESAI has closed the account and final charges for consumption have been applied.

ARTICLE 4 - MEASUREMENT OF ENERGY CONSUMPTION

4.1 Measurement provided by ANC

ANC provides to EESAI under its Distribution Tariff meter readings and estimates of consumption of Energy by Customers. Billings to Customers under these RRT Terms shall be based on those meter readings and estimates. EESAI assumes no liability to the Customer for meter readings and estimates provided by ANC.

4.2 Meter Testing

If a Customer believes his meter to be in error, EESAI will arrange to have the meter tested by ANC at the request of the Customer and the Customer will pay EESAI all charges for meter testing incurred by EESAI in accordance with ANC's Distribution Tariff.

ARTICLE 5 - BILLINGS AND PAYMENT

5.1 Billing Practices

EESAI performs Regulated Rate Services for Customers on credit and does not require payment in advance, except where a deposit is required in accordance with these RRT Terms.

Charges for Regulated Rate Services are due on the date that a Customer's meter is read, or estimated as the case may be, however, EESAI will allow no less than 21 days for payment without credit charge or interest by a payment due date stated on the Customer's bill.

Once a month, EESAI will send a Customer bill for Regulated Rate Service provided to the Customer during the previous month, calculated in accordance with the Price Schedule. The bill may be combined with a bill for Non-Regulated Rate Services provided to the Customer by EESAI.

5.2 Responsibility to Pay

Each Customer shall pay the full amount of any bill issued to the Customer by EESAI by the due date specified on the bill, without prejudice to the Customer's right to contest any rate or fee charged. A failure to pay any amount billed by EESAI shall be a default of payment under these RRT Terms and the Customer shall be subject to EESAI's collection policies as outlined in this section 5.2 and to the discontinuance or termination of Regulated Rate Service and disconnection of the Customer's Service Connection(s) as provided under Article 6.

EESAI will use the following process prior to disconnection of a Customer's Service Connection(s) for failure by the Customer to pay an amount billed by EESAI:

(a) If payment of a bill is not received 30 days subsequent to the due date specified on a bill, EESAI will send the Customer a written notice indicating that payment has not been received and that to ensure continuation of service, payment of arrears must be "received" within 7 working days of the date of the written notice.

(b) If the Customer does not contact EESAI within 7 working days of the date of the written notice to make arrangements to pay the outstanding bill, EESAI will call the Customer. The Customer will be advised that payment arrangements must be made within 4 working days or Service will be disconnected.

(c) If the Customer does not pay the outstanding bill within 4 business days after the warning is provided, EESAI may without further notice to the Customer instruct ANC to disconnect the Customer's Service Connection.

If a Customer's account is closed, any outstanding charges may be transferred to any other Regulated Rate Tariff account held by the same person.

5.3 Adjustments to Bills

Bills rendered by EESAI under these RRT Terms will include, among other things, charges payable by EESAI to ANC for Distribution Access Service arranged by EESAI on behalf of Customers under ANC's Distribution Tariff approved by the Regulator. Those charges are or may be subject to adjustment under ANC's Distribution Tariff. Bills rendered by EESAI under these RRT Terms may be adjusted from time to time to, among other things, reflect adjustments by ANC under its Distribution Tariff and EESAI will issue refunds or credits as appropriate to affected Customers.

5.4 Lost Bills

If a Customer's bill is lost or not received, the Customer should contact EESAI to determine the amount owed. Failure to receive a bill does not release a Customer from the obligation to pay the amount owing to EESAI under the Regulated Rate Tariff. The late payment charge under Section 5.5 will apply if the bill is not paid by its due date. If a Customer requires a duplicate copy of the bill, a charge may apply.

5.5 Late Payment Charge

If a Customer does not pay a bill for a month in full by the due date specified in the bill, the Customer will be liable to pay to EESAI, in addition to the amount of the bill, a late payment charge equal to 2.5% of the amount of the bill that applies to the current billing period. Should the bill remain outstanding after the due date, EESAI may commence collection action. In addition, EESAI may require a deposit or an increase in the amount of an existing deposit.

5.6 Partial Payments

Partial payments on an account will be applied to the unpaid amounts (including amounts for Non-Regulated Rate Services) outstanding on the oldest bills. If a payment does not cover the total unpaid amount outstanding on a bill and the bill includes charges for both Regulated Rate Service and Unregulated Service, then the payment will be applied to the unpaid charges for Regulated Rate Service and Unregulated Service, pro rata, on the basis of the respective amounts for those charges.

5.7 Responsibility for Collection Costs

Recovery of any balance on a Customer's bill that has not been paid by the date that payment is due may be referred to a collection agency.

Prudent and reasonable external collection costs incurred by EESAI will be added to the Customer's bill.

5.8 Dishonoured Cheque Charge

A Customer will be charged a fee in accordance with the Price Schedule for each cheque dishonoured for non-sufficient funds. A dishonoured cheque may trigger immediate collection action which could lead to disconnection of the Customer's Service Connection(s) as provided under Article 6.

5.9 Other Occupants' Liability for Payment

Where the Customer of Record for a Site has vacated the premises where the Site is located or defaulted on payment of a bill for Regulated Rate Service, other occupants of the premises who continue to receive Regulated Rate Service shall be deemed to be the Customer of Record and shall be liable for payment for Regulated Rate Services provided in accordance with the Regulated Rate Tariff.

ARTICLE 6 - TERMINATION OF REGULATED RATE SERVICE FOR DEFAULT

6.1 Termination of Regulated Rate Service

In the event of a default by the Customer under the Regulated Rate Tariff or any Regulated Rate Service Agreement, EESAI may, in its sole discretion and in accordance with Section 5.2, discontinue or terminate Regulated Rate Service to the Customer and require ANC to disconnect the Customer's Service Connection(s) and discontinue Distribution Access Service to the Customer or otherwise exercise and enforce any other right or remedy EESAI may have.

6.2 Restoration of Regulated Rate Service

In the event of discontinuance or termination of Regulated Rate Service or disconnection of a Service Connection(s) of a Customer for non-payment, to have Regulated Rate Service restored, the Customer must pay all outstanding bills in full, provide a deposit to EESAI in accordance with Section 3.6 and pay a reconnection fee in accordance with the Price Schedule.

ARTICLE 7 - RESPONSIBILITY AND LIABILITY

7.1 Continuity of Regulated Rate Service

EESAI will endeavor at all times to provide regular and uninterrupted Regulated Rate Service to Customers as provided in the Regulated Rate Tariff.

However, if Regulated Rate Service is interrupted, defective, curtailed, reduced, irregular, or fails from causes or circumstances beyond EESAI's control, EESAI shall not be liable to the Customer or any other Person for the interruption, defect, curtailment, reduction, irregularity or failure.

Without limiting the generality of the foregoing, EESAI does not own or operate the Distribution System or any other part of the Alberta Interconnected Electric System and does not guarantee continuous Regulated Rate Service. Under its Distribution Tariff, ANC, among other things, reserves the right to disconnect or otherwise curtail, interrupt or reduce Distribution Access Service to Customers of EESAI and to withhold connection or disconnect a Customer's Service Connection in various circumstances with or without notice to EESAI or its Customers. EESAI is also required to co-operate with ANC regarding operating instructions, policies, and procedures of the System Controller, Transmission Administrator and transmission facility owners which may include such things as reducing supply voltage to Customers and full interruption of Customers' Loads. Further, from time to time, Distribution Access Service and Regulated Rate Service may be interrupted, defective, irregular or fail by reason of actions by ANC, transmission system owners, the Transmission Administrator or the System Controller or conditions on ANC's Distribution System or otherwise on the Alberta Interconnected Electric System. Such actions (including actions by ANC pursuant to its Distribution Tariff) and conditions and compliance by EESAI with ANC's Distribution Tariff shall constitute circumstances beyond the control of EESAI for which EESAI shall not be liable.

7.2 Force Majeure

EESAI is relieved of its obligations under its Regulated Rate Tariffs and these RRT Terms, and shall not be liable for any failure to provide Regulated Rate Services to the extent that and when such failure is due to, or is a consequence, any event of Force Majeure.

7.3 Limitation on EESAI Liability to Customer

Except for direct physical loss, injury or damage to a Customer or the Customer's property resulting from the negligence or wilful misconduct of EESAI or its employees or agents acting within the scope of their employment, EESAI shall not be liable to a Customer, whether in tort, contract, strict liability or otherwise, for any loss, damage, expense, charge, cost or other liability of any kind suffered or incurred by the Customer arising out of or in any way connected with any interruption, defect, irregularity, failure, curtailment or reduction in Regulated Rate Service. For the purpose of this Section 7.3, "direct physical loss, injury or damage" shall not include any loss, injury or damage of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, claims of a Customer's customers, contractors and other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable.

Any claim by a Customer for loss, injury or damage must be filed with EESAI within 180 days from the date of occurrence of the incident that is the subject of the claim, failing which EESAI shall have no liability to the Customer for any such loss, injury or damage.

7.4 Distribution Tariff

Each Customer shall be obligated for the Service Connection to a Site to permit the Customer to receive Regulated Rate Service. Each Customer is bound by, and shall comply with, all provisions of the Distribution Tariff applicable to the Customer. At the request of EESAI, a Customer will enter into an agreement with ANC confirming that the Customer is bound by the applicable provisions of the Distribution Tariff.

Pursuant to these RRT Terms, EESAI is the Authorized Customer Representative of a Customer as defined in ANC's Distribution Tariff, and in that capacity EESAI is obligated to make payments on behalf of the Customer in respect of the Customer's Distribution Access Service and all other charges approved through ANC's Distribution Tariff. Accordingly, each Customer shall pay to EESAI all charges that EESAI, as the Customer's Authorized Customer Representative, is obligated to pay to ANC under the Distribution Tariff.

In addition to all other remedies available to EESAI upon default by the Customer of its obligations provided under these RRT Terms, EESAI shall be entitled to request ANC for de-enrollment of service for the Customer in accordance with the Distribution Terms, so that EESAI's financial obligation for the Customer is terminated, effective in accordance with the Distribution Terms.

7.5 Indemnification by Customer

Each Customer shall indemnify and hold EESAI and its employees and agents harmless from and against any claim for any loss, damage, expense, charge, cost (including legal fees on a solicitor-and-his-own-client basis), fine, penalty or other liability of any kind suffered or incurred by EESAI arising out of or in any way connected with any failure by the Customer or the Customer's Facilities to comply with ANC's Distribution Tariff or any legal or regulatory requirement related to Distribution Services.

7.6 EESAI Indemnification

EESAI shall indemnify and hold a Customer harmless from and against direct physical loss, injury or damage to the Customer or the Customer's property resulting from the negligence or wilful misconduct of EESAI or its employees or agents acting within the scope of their employment. For the purpose of this section 7.6, "direct physical loss, injury, or damage" shall not include any loss, injury or damage of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, claims of a Customer's customers, contractors and other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable.

Any claim by a Customer for indemnity for loss, injury or damage, must be filed with EESAI within 180 days from the date of occurrence of the incident that is the subject of the claim, failing which EESAI shall have no obligation to indemnify the Customer for any such loss, injury or damage.

ARTICLE 8 - DISPUTE RESOLUTION

If any dispute between EESAI and a Customer shall arise at any time in connection with the Regulated Rate Tariff, EESAI and the Customer, acting reasonably and in good faith, shall use their reasonable efforts to resolve the dispute in an amicable manner. If the dispute cannot be otherwise resolved pursuant to this Section 8, a senior representative of EESAI and the Customer shall meet to attempt to resolve the dispute. If EESAI and a Customer are not able to resolve their dispute in the manner provided in this Section within a reasonable time, EESAI and the Customer may enforce in Alberta any rights and remedies they may have in respect of such dispute under any applicable Alberta laws.

ARTICLE 9 - MISCELLANEOUS

9.1 Compliance with Applicable Legal Authorities

EESAI and the Customer are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of the System Controller or of governmental authorities having applicable jurisdiction. EESAI will not be required to violate, directly or indirectly, or become a party to a violation of any requirement of the System Controller or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide Regulated Rate Service to any Customer. EESAI's obligation to provide any Regulated Rate Service is subject to the condition that all requisite governmental and regulatory approvals for the provision of the Regulated Rate Service will have been obtained and will be in force during the period of Regulated Rate Service.

9.2 Assignment

The rights of a Customer under the Regulated Rate Tariff or any Regulated Rate Service Agreement are not assignable.

Any assignment in violation of this Section shall be void.

9.3 No Waiver

The failure of EESAI to insist on any one or more instances upon strict performance of any provisions of the Regulated Rate Tariff or any Regulated Rate Service Agreement, or to enforce any of its rights hereunder or thereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder or thereunder, which shall remain in full force and effect. No term or condition or breach of a term or condition of the Regulated Rate Tariff or any Regulated Rate Service Agreement shall be waived unless the waiver is in writing and duly executed by an authorized officer of EESAI.

SCHEDULE D – EESAI RCC TERMS AND CONDITIONS

"EESAI RCC
T&Cs.doc"

(Consists of 15 pages)

SCHEDULE "D"

Terms and Conditions of Regulated Rate Service

Approved in Decision 2000-91 dated December 29, 2000

ARTICLE 1 - GENERAL

1.1 Provision of Regulated Rate Service

UtilCorp Networks Canada (Alberta) Ltd. ("UtiliCorp") has made arrangements with EPCOR Energy Services (Alberta) Ltd. ("EESAI") to perform UtiliCorp's obligations to provide Regulated Rate Service to Eligible Customers in its service area. EESAI provides Regulated Rate Service under its Regulated Rate Tariff which has been approved by the Board.

EESAI's Regulated Rate Tariff includes these Terms and Conditions upon which EESAI offers and provides Regulated Rate Service to Eligible Customers and the Price Schedule which sets out the prices approved by the Board for Regulated Rate Service provided by EESAI.

EESAI's Regulated Rate Tariff is available for public inspection during normal business hours at EESAI's Edmonton and Calgary business offices.

1.2 Effective Date

The Regulated Rate Tariff takes effect on January 1, 2001.

1.3 Customers Bound by Regulated Rate Tariff

The Regulated Rate Tariff applies to each Customer. Without limiting the generality of the foregoing, the receipt by the Customer of Regulated Rate Service or the payment by the Customer of a bill rendered by EESAI in relation to Regulated Rate Service shall constitute acceptance by the Customer of all of the provisions of the Regulated Rate Tariff. Each Customer is also bound by UtiliCorp's Distribution Tariff.

1.4 Modification of Regulated Rate Tariff

No agent, employee or other representative of EESAI is authorized to modify any provision or price contained in the Regulated Rate Tariff or to bind EESAI to perform in any manner inconsistent with the Regulated Rate Tariff. Without limiting the generality of the foregoing, no agreement can provide for the waiver or alteration of any part of the Regulated Rate Tariff unless such agreement is first filed with and approved by the Board.

1.5 Regulatory Approval and Amendment

The Board has approved the Terms and Conditions. EESAI may amend the Terms and Conditions by filing a notice of amendment with the Board. The amendment will take effect 60 days after such notice is filed unless the Board directs otherwise. Whenever the Board approves an amendment to the Terms and Conditions or an amendment otherwise takes effect, the applicable section(s) of the Terms and Conditions will be revised to incorporate the amendments and the effective date of the amendments will be indicated in the revised section(s).

1.6 Availability of Service under SUPPLIER OF LAST RESORT Tariff

An Eligible Customer who is unable to continue to purchase Electricity Services from the Eligible Customer's Retailer for the reasons set out in Section 12(2) of the RRR Regulation or who for any reason is unable to obtain Electricity Services and who has not made arrangements to purchase Electricity Services from another Retailer, is entitled to obtain Electricity Services under EESAI's Supplier of Last Resort Tariff.

ARTICLE 2 - DEFINITIONS AND INTERPRETATION

2.1 Definitions

The following words and phrases, whenever used in the Regulated Rate Tariff, shall have the following meanings:

"Alberta Interconnected Electric System" means the "interconnected electric system" as defined in the EUA.

"Board" means the Alberta Energy and Utilities Board established under the *Alberta Energy and Utilities Board Act*, S.A., 1994, c. A-19.5, as amended from time to time.

"Business Day" means a day which is not a Saturday, Sunday or statutory holiday in the Province of Alberta and "day" means any calendar day.

"Customer" means:

(a) an Eligible Customer who did not select a Retailer by December 1, 2000, or such later date as may be set by UtiliCorp under the RRR Regulation, from whom to purchase Electricity Services; or

(b) an Eligible Customer, other than an Eligible Customer referred to in paragraph (a) of this definition, who is receiving Regulated Rate Service or who has applied for Regulated Rate Service from EESAI.

"Customer of Record" means the Customer for whom EESAI has opened an account pursuant to Section 3.2 or Section 5.8.

"Distribution Access Service" means "distribution access service" as defined in the EUA provided to Customers by means of UtiliCorp's Distribution System.

"Distribution System" means "electric distribution system" as defined in the EUA.

"Distribution Tariff" means, at any point in time, UtiliCorp's tariff for the provision of Distribution Access Service approved by the Board and in effect at such time.

"Electricity Services" means "electricity services" as defined in the EUA.

"Eligible Customer" means a Rate Classification Customer in UtiliCorp's service area and includes, until December 31, 2003, a Small Commercial Customer.

"Energy" means "electric energy" as defined in the EUA, expressed in kilowatt hours.

"EESI" means EPCOR Energy Services Inc.

"EUA" means the *Electric Utilities Act*, S.A. 1995, c.E-5.5, including the regulations enacted thereunder, as re-enacted, amended or replaced from time to time.

"Exchange" means "exchange" as defined in the EUA.

"Facilities" means physical plant (including, without limitation, transmission and distributions lines, transformers, meters, equipment and machinery).

"Farm Rate Classification Customer" means a customer receiving or eligible to receive Farm Service as specified in the Price Schedule.

"Irrigation Rate Classification Customer" means a customer receiving or eligible to receive Irrigation Service as specified in the Price Schedule.

"Load" means Energy consumed by Customers together with allocated losses and other unaccounted for Energy.

"Non-Regulated Rate Services" means the various services, other than Regulated Rate Service, provided to a Customer by EESAI and other Persons from time to time.

"Person" means a person, firm, partnership, corporation, organization or REA or other association, and includes an individual member thereof.

"Point of Service" means the point at which UtiliCorp's service conductors are connected to the wires or apparatus of a Customer.

"Price Schedule" means, at any point in time the schedule of prices approved by the Board and in effect at such time.

"Rate Classification Customer" means a Residential Rate Classification Customer, a Farm Rate Classification Customer or an Irrigation Rate Classification Customer.

"RRR Regulation" means the *Roles, Relationships and Responsibilities Regulation*, AR 86/2000.

"Regulated Rate Service" means:

(a) arranging for the Exchange or purchase of Energy on behalf of a Customer;

(b) arranging for Distribution Access Service on behalf of a Customer

in accordance with the RRO Tariff.

"Regulated Rate Tariff" means EESAI's regulated rate tariff approved by the Board including these Terms and Conditions and the Price Schedule.

"Residential Rate Classification Customer" means a customer receiving or eligible to receive Residential Service as specified in the Price Schedule.

"Retailer" means a "retailer" as defined in the EUA.

"Service Connection" means all Facilities required providing services up to Point of Service.

"Site" means, in relation to a Service Connection for a Customer, the Point of Service for the Customer.

"Small Commercial Customer" means a Person in UtiliCorp's service area other than a Rate Classification Customer if:

(a) with respect to each separate property on which such Person used electricity in 1999, such Person's total annual consumption of Energy was less than 250 MWh; or

(b) EESAI reasonably forecasts that, with respect to each separate property on which such Person will use electricity during the period ending on December 31, 2003, such Person's total annual consumption of Energy will be less than 250 MWh.

"Supplier of Last Resort Tariff" means, at any point in time, the Supplier of Last Resort Tariff of EESAI in effect at such time.

"System Controller" means the person referred to in section 9(1)(c) of the EUA.

"Terms and Conditions" means these Terms and Conditions of Regulated Rate Service, as they may be amended from time to time.

"Transmission Administrator" has the meaning given to it in the EUA.

"UtiliCorp" means UtiliCorp Networks Canada (Alberta) Ltd. or any other person who acts as a Wire Services Provider with respect to UtiliCorp's Distribution System.

"Wire Services Provider" means a "wires service provider" as defined in the EUA.

2.2 Conflicts

If there is any conflict between a provision expressly set out in an order of the Board and these Terms and Conditions, the order of the Board shall govern.

If there is any conflict between a provision expressly set out in an application or agreement for Regulated Rate Service and these Terms and Conditions, these Terms and Conditions shall govern.

2.3 Headings

The division of these Terms and Conditions into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions.

2.4 Extended Meanings

In these Terms and Conditions, words importing the singular number only shall include the plural and visa versa, words importing the masculine gender shall include the feminine and neuter gender and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

2.5 Rates and Fees

All rates, charges and fees referred to in these Terms and Conditions are as set out in the Price Schedule.

ARTICLE 3 - REGULATED RATE SERVICE

3.1 Availability

Regulated Rate Service is available to Eligible Customers strictly in accordance with the Regulated Rate Tariff.

3.2 Application For Service

A residential Eligible Customer, who is not receiving Regulated Rate Service from EESAI, can apply for Regulated Rate Service at a Site by contacting EESAI by telephone or by any other means acceptable to EESAI. At its sole discretion, EESAI may require any residential Eligible Customer to provide a photo proof of identification. A commercial Eligible Customer, who is not receiving Regulated Rate Service from EESAI, must complete an application in writing for Regulated Rate Service at a Site.

EESAI requires no less than 3 full Business Days prior notice to ensure a timely connection of Regulated Rate Service at a Site. Expedited connection of Regulated Rate Service is available at an additional charge in accordance with the Price Schedule. EESAI may declare at any time, that 90 days notice is required to obtain Regulated Rate Service. During any such period, an additional fee will apply in lieu of notice.

If EESAI accepts a Customer's application, EESAI will open an account for the Customer for Regulated Rate Service at the applied for Site and the Customer shall be the "Customer of Record" for the Site, and will pay EESAI an account connection charge for opening the account in accordance with the Price Schedule. The Customer will be responsible to pay to EESAI all amounts charged to the account from the time the account is opened until it is closed as provided in Sections 3.7 and 3.8.

3.3 Credit Information

EESAI may at any time request information:

(a) from a prospective customer required to determine the Customer's credit history and the credit risk of the Customer; and

(b) from an existing customer required to determine the Customer's credit history and the credit risk of the Customer where the Customer has paid a bill late more than once in any six month period or where EESAI has other reasonable grounds for believing that the existing Customer is a high credit risk.

including, without limitation, identification, contact and credit information. If a prospective Customer or existing Customer refuses to provide the requested information, then EESAI may refuse or discontinue, as the case may be, Regulated Rate Service to the Customer.

3.4 Refusal of Regulated Rate Service

EESAI reserves the right to refuse Regulated Rate Service to a Customer at a Site where:

(a) a previous Customer at the Site had a history of non-payment and EESAI believes, on reasonable grounds, that the defaulting Customer would continue to occupy the premises located at the Site;

(b) the Customer has not complied with the applicable provisions of the Regulated Rate Tariff to EESAI's satisfaction;

(c) the Customer has not provided the deposit required by EEASI;

(d) EESAI is not satisfied with the Customer's credit rating or credit history, unless the Customer has provided a deposit satisfactory to EESAI in accordance with section 3.6;

(e) the Customer has an outstanding balance with EESAI for Regulated Rate Service.

3.5 Customer Change of Name or Information

If a Customer has a change of name or contact information, including mailing address and telephone number, for continuation of Regulated Rate Service the Customer must notify EESAI of such change as soon as reasonably possible. EESAI reserves the right to require that such notification be made in writing.

3.6 Deposits

3.6.1 Requirement for Deposit

EESAI, in its sole discretion, may require a deposit or an increase in an existing deposit by a Customer including, without limitation, in the following circumstances:

(a) the Customer has paid a bill late more than once in any six month period;

(b) the Customer has issued more than one cheque that has been returned for non-sufficient funds in any six month period;

(c) there has been more than a 50% increase in the Customer's average monthly consumption of Energy;

(d) the Customer's service was disconnected for non-payment;

(e) upon application by the Customer for re-connection after a cut-off for non-payment; or

(f) the Customer making the application for service has a credit rating which is not satisfactory to EESAI.

3.6.2 Waiver of Deposit Requirement

EESAI, in its sole discretion, may waive the requirement for a deposit by Customer under Section 3.6.1. including, without limitation, in the following circumstances:

(a) where the Customer has a previous good payment history EESAI;

(b) where a result satisfactory to EESAI is obtained from an external credit check;

(c) where the Customer provides a co-signor who agrees to be personally responsible for payment for Energy supplied and services rendered to the Customer and who has a credit rating acceptable to EESAI; or

(d) where the Customer provides to EESAI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EESAI.

3.6.3 Maximum Deposit

The maximum deposit EESAI will require from a Customer under this Regulated Rate Tariff is equal to 25% of the annual total charge payable by the Customer, as estimated by EESAI.

3.6.4 Return of Deposit

A deposit made by a Customer may be returned to the Customer after a satisfactory payment history over a period of 12 consecutive months or when the Customer's Regulated Rate Service is terminated and the Customer's account is closed. Where a Customer's Regulated Rate Service is terminated and the Customer's account is closed for non-payment of Regulated Rate Service, prior to any refund, the deposit will be applied to the balance owing by the Customer to EESAI.

3.6.5 Interest Payable on Deposits

EESAI will pay to a Customer at the end of each calendar year or when the Customer's account is closed, simple interest on the daily balance of any cash deposit held by EESAI in respect of the Customer. The interest rate applicable for each year is the "Bank Rate" announced by the Bank of Canada and in effect on January 1 of that year.

3.7 Closing an Account

Subject to Section 3.8, a Customer may close an account for Regulated Rate Service at a Site by giving EESAI notice to close the account. In order to close the account on a specified date, EESAI requires at least three full Business Days' prior notice. EESAI will determine whether a final meter reading is required.

3.8 Account Closure on Switch of Retailer

To close an account for Regulated Rate Service at a Site for the purpose of switching to a new Retailer, a Customer must give EESAI no less than 60 days prior notice to close the account. Expedited service to close an account may be obtained on no less than 30 days notice on payment of the following fee for the applicable rate class of service:

Residential	$20.00
Farm	$35.00
Irrigation	$70.00
Exterior Lighting (per fixture)	$10.00
Commercial	$60.00
Oil & Gas	$75.00

3.9 Account and Regulated Rate Service May Not Be Assigned

A Customer cannot assign his account for Regulated Rate Service or any rights in relation to Regulated Rate Service for a Site to a new occupant or owner of the premises at which the Site is located. The new occupant or owner must apply for Regulated Rate Service at the Site. The Customer is responsible for payment for all Regulated Rate Service provided to the Customer up to the time EESAI has closed the account and final charges for consumption have been applied.

ARTICLE 4 - MEASUREMENT OF ENERGY CONSUMPTION

4.1 Measurement provided by UTILICORP

UtiliCorp provides to EESAI under its Distribution Tariff meter readings and estimates of consumption of Energy by Customers. Billings to Customers under these Terms and Conditions shall be based on those meter readings and estimates. EESAI assumes no liability to the Customer for meter readings and estimates provided by UtiliCorp.

4.2 Meter Testing

If a Customer believes his meter to be in error, EESAI will arrange to have the meter tested by UtiliCorp at the request of the Customer and the Customer will pay EESAI all charges for meter testing incurred by EESAI in accordanceUtiliCorp's Distribution Tariff.

ARTICLE 5 - BILLINGS AND PAYMENT

5.1 Billing Practices

EESAI performs RRO Services for Customers on credit and does not require payment in advance, except where a deposit is required in accordance with these Terms and Conditions.

Charges for RRO Services are due on the date that a Customer's meter is read, or estimated as the case may be, however, EESAI will allow no less than 21 days for payment without credit charge or interest by a payment due date stated on the Customer's bill.

EESAI will send a Customer bill for Regulated Rate Service either monthly, bimonthly, quarterly or seasonally for service provided to the Customer during the previous billing period, calculated in accordance with the Price Schedule. The bill may be combined with a bill for Non-Regulated Rate Services provided to the Customer by EESAI.

5.2 Responsibility to Pay

Each Customer shall pay the full amount of any bill issued to the Customer by EESAI by the due date specified on the bill, without prejudice to the Customer's right to contest any rate or fee charged. A failure to pay any amount billed by EESAI shall be a default of payment under these Terms and Conditions and the Customer shall be subject to EESAI's collection policies as outlined in this section 5.2and to the discontinuance or termination of Regulated Rate Service and disconnection of the Customer's Service Connection(s) as provided under Article 6.

EESAI will use the following process prior to disconnection of a Customer's Service Connection(s) for failure by the Customer to pay an amount billed by EESA!:

a. If payment of a bill is not received 30 days subsequent to the due date specified on a bill, EESAI will send the Customer a written notice indicating that payment has not been received and that to ensure continuation of service, payment of arrears must be "received" within 7 working days of the date of the written notice.

b. If the Customer does not contact EESAI within 7 working days of the date of the written notice to make arrangements to pay the outstanding bill, EESAI will call the Customer. The Customer will be advised that payment arrangements must be made within 4 working days or Service will be disconnected.

c. If the Customer does not pay the outstanding bill within 4 business days after the warning is provided, EESAI may without further notice to the Customer instruct Utilicorp to disconnect the Customer's Service Connection(s).

If a Customer's account is closed, any outstanding charges may be transferred to any other Regulated Rate Tariff account held by the same person.

5.3 Adjustments to Bills

Bills rendered by EESAI under these Terms and Conditions will include, among other things, charges payable by EESAI to UtiliCorp for Distribution Access Service arranged by EESAI on behalf of Customers under UtiliCorp's Distribution Tariff approved by the Board. Those charges are or may be subject to adjustment under UtiliCorp's Distribution Tariff approved by the Board. Bills rendered by EESAI under there Terms and Conditions may be adjusted from time to time to, among other things, reflect adjustments by UtiliCorp under its Distribution Tariff and EESAI will issue refunds or credits as appropriate to affected Customers.

5.4 Lost Bills

If a Customer's bill is lost or not received, the Customer should contact EESAI to determine the amount owed. Failure to receive a bill does not release a Customer from the obligation to pay the amount owing to EESAI under the Regulated Rate Tariff. The late payment charge under Section 5.5 will apply if the bill is not paid by its due date. If a Customer requires a duplicate copy of the bill, a charge may apply.

5.5 Late Payment Charge

If a Customer does not pay a bill for a billing periodin full by the due date specified in the bill, the Customer will be liable to pay to EESAI, in addition to the amount of the bill, a late payment charge equal toa one-time payment of 2.5% of the amount of the bill that applies to the current billing period, provided that until the Customer accounts are converted to EESI's billing system, the late payment charge shall be equal to 1.5% per month, which is equivalent to an annual rate of 19.56%.

Should the bill remain outstanding after the due date, EESAI may commence collection action. In addition, EESAI may require a deposit or an increase in the amount of an existing deposit.

5.6 Partial Payments

Partial payments on an account will be applied to the unpaid amounts (including amounts for Non-Regulated Rate Services) outstanding on the oldest bills. If a payment does not cover the total unpaid amount outstanding on a bill and the bill includes charges for both Regulated Rate Service and Unregulated Service, then the payment will be applied to the unpaid charges for Regulated Rate Service and Non-Regulated Service, pro rata, on the basis of the respective amounts for those charges.

5.7 Responsibility for Collection Costs

Recovery of any balance on a Customer's bill that has not been paid by the date that payment is due may be referred to a collection agency.

Prudent and reasonable external collection costs incurred by EESAI will be added to the Customer's bill.

5.8 Dishonoured Cheque Charge

A Customer will be charged a fee in accordance with the Price Schedule for each cheque dishonoured for non-sufficient funds. A dishonoured cheque may trigger immediate collection action which could lead to disconnection of the Customer's Service Connection(s) as provided under Article 6.

5.9 Other Occupants' Liability for Payment

Where the Customer of Record for a Site has vacated the premises where the Site is located or defaulted on payment of a bill for Regulated Rate Service, other occupants of the premises who continue to receive Regulated Rate Service shall be deemed to be the

Customer of Record and shall be liable for payment for Regulated Rate Services provided in accordance with the Regulated Rate Tariff.

ARTICLE 6 - TERMINATION OF REGULATED RATE SERVICE FOR DEFAULT

6.1 Termination of Regulated Rate Service

In the event of a default by the Customer under the Regulated Rate Tariff or any Regulated Service Agreement, EESAI may, in its sole discretion and in accordancewith Section 5.2, discontinue or terminate Regulated Rate Service to the Customer and require UtiliCorp to disconnect the Customer's Service Connection(s) and discontinue Distribution Access Service to the Customer or otherwise exercise and enforce any other right or remedy EESAI may have.

6.2 Restoration of Regulated Rate Service

In the event of discontinuance or termination of Regulated Rate Service disconnection of a Service Connection of a Customer for non-payment, to have Regulated Rate Service restored, the Customer must pay all outstanding bills in full, provide a deposit to EESAI in accordance with Section 3.6 and pay a reconnection fee in accordance with the Price Schedule.

ARTICLE 7 - RESPONSIBILITY AND LIABILITY

7.1 Continuity of Regulated Rate Service

EESAI will endeavor at all times to provide regular and uninterrupted Regulated Rate Service to Customers as provided in the Regulated Rate Tariff.

However, if Regulated Rate Service is interrupted, defective, curtailed, reduced, irregular, or fails from causes or circumstances beyond EESAI's control, EESAI shall not be liable to the Customer or any other Person for the interruption, defect, irregularity or failure.

Without limiting the generality of the foregoing, EESAI does not own or operate the Distribution System or any other part of the Alberta Interconnected Electric System and does not guarantee continuous Regulated Rate Service. Under its Distribution Tariff, UtiliCorp, among other things, reserves the right to disconnect or otherwise curtail, interrupt or reduce Distribution Access Service to Customers of EESAI and to withhold connection or disconnect a Customer's Service Connection in various circumstances with or without notice to EESAI or its Customers. EESAI is also required to cooperate with UtiliCorp regarding operating instructions, policies and procedures of the System Controller, Transmission Administrator and transmission facility owners which may include such things as reducing supply voltage to Customers and full interruption of Customers' Loads. Further, from time to time, Distribution Access Service and Regulated Rate Service may be interrupted, defective, irregular or fail by reason of actions by UtiliCorp, transmission system owners, the Transmission Administrator or the System Controller or conditions on UtiliCorp's Distribution System or otherwise on the Alberta Interconnected Electric System. Such actions (including actions by UtiliCorp pursuant to its Distribution Tariff) and conditions and compliance by EESAI with UtiliCorp's Distribution Tariff shall constitute circumstances beyond the control of EESAI for which EESAI shall not be liable.

7.2 Limitation on EESAI Liability to Customer

Except for direct physical loss, injury or damage to a Customer or the Customer's property resulting from the negligence or wilful misconduct of EESAI or its employees or agents acting within the scope of their employment, EESAI shall not be liable to a Customer, whether in tort, contract, strict liability or otherwise, for any loss, damage, expense, charge, cost or other liability of any kind suffered or incurred by the Customer arising out of or in any way connected with any interruption, defect, irregularity, failure, curtailment or reduction in Regulated Rate Service. For the purpose of this Section 7.2, "direct physical loss, injury or damage" shall not include any loss, injury or damage of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, , claims of a Customer's customers, contractors and other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable.

Any claim by a Customer for loss, injury or damage, must be filed with EESAI within 180 days from the date of occurrence of the incident that is the subject of the claim, failing which EESAI shall have no liability to the Customer for any such loss, injury or damage.

7.3 Indemnification by Customer

Each Customer shall indemnify and hold EESAI and its employees and agents harmless from and against any claim for any loss, damage, expense, charge, cost (including legal fees on a solicitor-and-his-own-client basis), fine, penalty or other liability of any kind suffered or incurred by EESAI (including under UtiliCorp's Distribution Tariff) arising out of or in any way connected with any failure by the Customer or its Facilities to comply with any of the provisions of UtiliCorp's Distribution Tariff applicable to the Customer or its Facilities or any legal or regulatory requirement related to Distribution Access Service required to be complied with by the Customer.

7.4 EESAI Indemnity

EESAI shall indemnify and hold a Customer harmless from and against direct physical loss, injury or damage to the Customer or the Customer's property resulting from the negligence or willful misconduct of EESAI or its employees or agents acting within the scope of their employment. For the purpose of this Section 7.4, "direct physical loss, injury or damage" shall not include any loss, injury or damage of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, claims of a Customer's customers, contractors and other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable.

Any claim by a Customer for indemnity for loss, injury or damage, must be filed with EESAI within 180 days from the date of occurrence of the incident that is the subject of the claim, failing which EESAI shall have no obligation to indemnify the Customer for any such loss, injury or damage.

ARTICLE 8 - DISPUTE RESOLUTION

If any dispute between EESAI and a Customer shall arise at any time in connection with the Regulated Rate Tariff, EESAI and the Customer, acting reasonably and in good faith, shall use their reasonable efforts to resolve the dispute in an amicable manner. If the dispute cannot be otherwise resolved pursuant to this Section 8, a senior representative of EESAI and the Customer shall meet to attempt to resolve the dispute. If EESAI and a Customer are not able to resolve their dispute in the manner provided in this Section within a reasonable time, EESAI and the Customer may enforce in Alberta any rights and remedies they may have in respect of such dispute under any applicable Alberta laws including, without limitation, pursuing the matter with the Board if the matter is within the Board's jurisdiction.

ARTICLE 9 - MISCELLANEOUS

9.1 Compliance with Applicable Legal Authorities

EESAI and the Customer are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of the System Controller or of governmental authorities having applicable jurisdiction. EESAI will not be required to violate, directly or indirectly, or become a party to a violation of any requirement of the System Controller or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide Regulated Rate Service to any Customer. EESAI's obligation to provide any Regulated Rate Service is subject to the condition that all requisite governmental and regulatory approvals for the provision of the Regulated Rate Service will have been obtained and will be in force during the period of Regulated Rate Service.

9.2 Assignment

The rights of a Customer under the Regulated Rate Tariff are not assignable.

Any assignment in violation of this Section shall be void.

9.3 No Waiver

The failure of EESAI to insist on any one or more instances upon strict performance of any provisions of the Regulated Rate Tariff, or to enforce any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder or thereunder, which shall remain in full force and effect. No term or condition or breach of a term or condition of the Regulated Rate Tariff shall be waived unless the waiver is in writing and duly executed by an authorized officer of EESAI.

ARTICLE 10 - END OF REGULATED RATE SERVICE

10.1 Small Commercial Customers

Subject to any changes to the EUA or other applicable legislation, if any, after December 31, 2003, EESAI will no longer be providing Electricity Services under the Regulated Rate Tariff to those Customers who are Small Commercial Customers ("Non-Eligible Customers"). Commencing on January 1, 2004, EESAI will provide to each Non-Eligible Customer who has not made arrangements to purchase Electricity Services from EESAI or another Retailer, and that Non-Eligible Customer will receive, Electricity Services under EESAI's Supplier of Last Resort Tariff.

10.2 All Customers

Subject to any changes to the EUA or other applicable legislation, if any, after December 31, 2005, EESAI will no longer be providing Electricity Services under the Regulated Rate Tariff to Customers. Commencing on January 1, 2006, EESAI will provide to each Customer who has not made arrangements to purchase Electricity Services from EESAI or another Retailer, and that Customer will receive, Electricity Services under EESAI's Supplier of Last Resort Tariff.